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*1968 Annual Report*

# Virgin Islands

*to the*

*Secretary of the Interior*

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*1968 Annual Report*

# Virgin Islands

*to the*

*Secretary of the Interior*

*For the Fiscal Year Ended June 30*



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President Johnson voiced his satisfaction in the achievement in his time of the major territorial political advancement evidenced by the enactment of the Virgin Islands and Guam Elective Governor Acts providing for the popular election of the Governors of those two territories in 1970, as he signed the Guam bill on September 11, 1968. The Virgin Islands bill was signed on August 23, 1968. Standing left to right: Antonio B. Won Pat; Assistant Secretary of the Interior Harry Anderson; Henry L. Kinzelman; Governor of the Virgin Islands Ralph M. Paiewonsky; Senator Quentin N. Burdick; Governor of Guam Manuel F. L. Guerrero; Senator Henry M. Jackson; Secretary of the Interior Udall, and former Governor of Guam Bill Daniel.

# GENERAL INFORMATION

## *History*

Christopher Columbus, sailing to the New World on his second voyage in 1493, dropped anchor on the north side of St. Croix and the island's first "visitor" took in the unspoiled tropical beauty and rolling hills of a Caribbean paradise. The spot is known today as Salt River Bay, one of the many picturesque inlets in the U.S. Virgin Islands.

The Great Navigator named his "discovery" Santa Cruz, meaning "Island of the Holy Cross" and sent a landing party ashore to replenish the ship's dwindling water supply. Instead of the warm welcome visitors receive today, Columbus' men were repulsed by the fierce Carib Indians. No further attempts were made to land and colonize until 1555 when the hostile Caribs were driven from St. Croix by the soldiers of King Charles V of Spain.

Columbus was so impressed with the beauty of the island chain, he christened them "Las Virgenes" in honor of St. Ursula and her 11,000 martyred virgins.

The value of these and the other islands of the West Indies soon became apparent to the crowned heads of Europe and colonization was encouraged. England, France, Holland, and Spain vied for control during the 17th century with sugar as the principal attraction. So important was trade with the West Indies that Great Britain, negotiating with France to end the Seven Years' War in 1763, seriously considered keeping the Island of Guadeloupe instead of Canada.

Denmark played the most important role in the development of the U.S. Virgin Islands. Entering the picture in 1671, she chartered the West India Co. and began serious colonization of St. Thomas and St. John. St. Croix was purchased from France in 1733. Except for a brief period of British occupation during the Napoleonic Wars, the Danes ruled these islands until 1917.

Thus began a golden age of commerce and peaceful development for the Virgin Islands, blessed by the Danish policy of neutrality and liberal trading laws. Ships of all the nations of Europe, carried to the fine harbor of Charlotte Amalie on St. Thomas by the constant easterly trade winds, gathered there and a booming trade with the New England States of the new American nation supported the burgeoning island economy.

Sugar was king and its influence was felt everywhere. Throughout the Islands of St. Thomas, St. Croix, and St. John, massive stone windmills were erected for grinding cane. Many of these towers remain reminders of a bygone era and evidence of a once flourishing plantation life.

With wealth came the unfortunate byproducts, greed and avarice. The Caribbean became the hunting ground of such notorious pirates as Captain Kidd and Edward Teach, the notorious Blackbeard. It is said the Virgin Islands were spared the depredations of these buccaneers by paying "protection" in the form of sanctuary and commercial privileges.

Sugar brought great prosperity to the islands and the plantation owners. It also brought misery and privation to the thousands of slaves who were introduced from Africa in the 1680's to work the canefields. Their suffering finally erupted into revolt. On St. John, after a bloody mutiny, the slaves held the islands for 6 months until the French forces arrived from Martinique to help the Danish masters regain their land. Legend has it that the last survivors of the ill-fated uprising committed mass suicide by plunging over a cliff or shooting themselves rather than face a return to servitude.

Slavery was finally abolished by an enlightened Denmark in 1848, 15 years prior to the publication of the U.S. Emancipation Proclamation. From then on, sugar decreased in commercial importance in the Virgin Islands, outdone by the more favorable conditions for cane operations in Cuba and elsewhere.

The United States took its first interested look at the islands during the American Civil War. However, a purchase agreement fell through when the Senate refused to ratify the negotiations in 1870. Bargaining continued throughout the century but it wasn't until World War I that the United States moved decisively. Fearing a German seizure that would give U-boats a base in the Caribbean, the United States bought the Danish Virgins in 1917 for \$25 million. The U.S. Navy was delegated to administer the islands and assumed responsibility on March 31 of that year.

### *Geography*

The U.S. Virgin Islands lie some 1,434 nautical miles southeast of New York City; 991 miles from Miami, Fla.; and 40 miles east of Puerto Rico, 75 air-miles from San Juan.

The islands are a part of the Antilles which form the dividing line between

the Caribbean Sea and the Atlantic Ocean. They are located directly in the path of the trade winds, so commercially important in the days of sail, at the eastern end of the Greater Antilles and the northern end of the Lesser Antilles.

The U.S. Virgins consist of some 50 islands and cays of volcanic origin. Their neighbors, the British Virgins, are made up of another 30 similar islands and cays.

Only three islands in the U.S. group are of any population or commercial significance. The largest of these, St. Croix, with 84 square miles is, for the most part, flat, and suited for agricultural use. Forty miles due north, St. Thomas with 28 square miles, offers dramatic rugged mountains that rise sharply from the sea to height of up to 1,500 feet. A few miles east of St. Thomas, the Island of St. John with 20 square miles, offers similar land and sea scapes. Both islands rise from the same submarine plateau. Between these two islands and St. Croix, the Caribbean Sea deepens to a 15,000-foot trench.

Because of the steep sloping mountainsides, very little land on St. John or St. Thomas is tillable. St. Croix, however, is well suited agriculturally, and priority is being given to the advancement and diversification of this industry. Until recently, sugarcane was the only important crop. However, it had been a marginal one and had cost the local government large sums of money to cover milling losses. Consequently, sugar has been phased out and terminated as a commercial crop. Instead, industry has been encouraged to develop and over 4,000 acres of prime land is being utilized under a comprehensive agricultural plan now being developed. This includes broad research into feasible food crops, middle-range programs for agricultural development and a long-range plan to



preserve the agricultural character and natural beauty of the Island.

St. Croix has two improved harbors. The one at Christiansted, considered to be one of the most picturesque under the U.S. flag, attracts pleasure yachts and medium-sized commercial craft from other West Indian islands. A deep water harbor at Frederiksted on the east end of St. Croix accommodates ocean liners and is responsible for increased cruise ship traffic to the island. In addition, a full-size airport with direct jet flights to the mainland has further enhanced the growing tourist trade.

St. Thomas, whose agricultural resources are limited by its rugged landscape, more than makes up for this deficiency with its excellent natural harbor. It is one of the ranking ports of call for cruise ships, and the expansion of its airport facilities has now allowed for jet travel from the mainland to the island.

St. John's main attraction is its unspoiled beauty, guaranteed to remain so since much of the island is taken up by the Virgin Islands National Park. The incomparable beaches, breathtaking mountain views, and lush vegetation bring an increasing number of visitors each year, who explore the island's charm by jeep or boat.

The U.S. Virgins enjoy a near perfect climate. Temperatures stay within the 70° to 90° range with an average 78°. The balmy trade winds provide natural air conditioning. Humidity is comfortably low with rainfall averaging about 45 inches a year.

There is an abundant variety of tropical flora ranging from the well-known hibiscus, bougainvillea, oleander, poinsettia, and wild orchid, to the less common African tulip, frangi pani, and lignum vitae. Many other flowering trees and shrubs add to the island's color and fragrance. Coconut and royal palms are everywhere while the quieter

beaches are lined with mangrove, mahoe, and seagrape trees. Exotic fruits from native trees grace the tables of Virgin islanders, the more popular being mango, soursop, lime, guava, sugar apple, avocado, papaya, genep, and mammee apple.

Though there is no large commercial fishing industry, the natives, through their individual efforts, make fish an important part of their daily diet. The Virgin Island waters, particularly in the game fishing sense, are rapidly becoming recognized as a prime fishing area. Blue marlin, wahoo, tuna, tarpon, kingfish, and bonefish are taken the year round while white marlin and sailfish are caught during most months. The Virgin Islands now holds the world record for the largest blue marlin. Smaller fish also abound. They include grouper, "old wife," yellow tail, and angelfish.

The islands provide stone, sand, and gravel as building materials but there are no minerals of commercial significance.

### *Government*

The Virgin Islands have been governed by many nations. The flags of Spain, France, Holland, England, Denmark, and the United States have flown over all three islands and St. Croix, for a brief time, was administered by the Knights of Malta.

When the United States purchased the Virgin Islands in 1917, the transition was accomplished smoothly by retaining the Danish legal code as the basic law. The Navy was given responsibility for administering the islands until 1391. Military, civil, and judicial power were vested in the Naval Governor, who was appointed by the President of the United States.

On February 27, 1931, an Executive order from the White House transferred jurisdiction from the Navy to the Department of the Interior, and the

first civilian governor was appointed by the President.

A major change in the method of governing the islands occurred with the passage of the Revised Organic Act of 1954 by which the Congress authorized distinct executive, legislative, and judicial branches and provided for a substantial degree of self-government. Recent changes in the act provide for an even greater degree of home rule.

Presently, the Governor is appointed by the President, subject to Senate confirmation and exercises the executive power under the supervision of the Secretary of the Interior. In 1970, by recent Congressional Act, he will be elected by the people of the Virgin Islands for the first time in Virgin Islands history. The Governor is responsible for execution of local laws, administration of all activities of the executive branch, and the appointment of department heads and other employees. He reports annually to the legislature on the state of the territory and recommends new legislation to carry out the various programs of local government.

The government secretary also is appointed by the President. In the absence of the Governor, the government secretary serves as acting Governor. He also has administrative responsibility for banking and insurance laws and the licensing and assessment of real property.

The unicameral legislature is elected for 2-year terms. There are 15 senators, five from St. Croix, five from St. Thomas, one from St. John, and four elected at large by Virgin Islands voters of all the islands. Each bill passed must be signed by the Governor before it becomes law. A two-thirds vote of the legislature is necessary to override the Governor's veto. In this event, the Governor must approve it or submit it to the President for final action.

The judge of the district court of the

Virgin Islands and the U.S. district attorney are appointed by the President of the United States. The district court exercises jurisdiction over felony violations of the local criminal code as well as jurisdiction over crime arising under Federal law. The municipal court judges are appointed by the Governor, and confirmed by the legislature. The municipal court exercises jurisdiction over misdemeanor violations and traffic offenses under the local law.

Civil cases involving less than \$500 are handled by the municipal court; cases involving from \$501 to \$10,000 are handled by either the municipal court or the Federal court; all cases over \$10,000 are in the exclusive jurisdiction of the Federal court.

The district court of the Virgin Islands exercises appellate jurisdiction over the municipal court in civil and criminal cases. The U.S. Court of Appeals for the Third Circuit, Philadelphia, and the U.S. Supreme Court exercises appellate jurisdiction over the district court of the Virgin Islands.

### *Finances and Taxes*

There are three principal sources of revenue for the government of the Virgin Islands from which funds are derived for capital and operating disbursement.

The largest source and one that is growing every year, is from local income taxes. An act of the Congress of the United States provides that Federal income tax schedules be applied as a local tax in the Virgin Islands. Another major contributor to the treasury consists of Federal excise taxes collected in the United States on imports of Virgin Islands products and returned to the local government as matching funds. In order to receive funds, the islands must raise through local taxes, funds which match in size the excises to be rebated.

In addition, the Federal Government assists the islands by appropriations and grant-in-aid allotments for many activities in employment services, public assistance, health and diseases services, wildlife, and libraries. There are over 60 such aid programs and appropriations.

### *Economic Development*

Tourism continues to be the most important industry in the Virgin Islands. Income from visitors' expenditures during fiscal year 1968 reached a new record high of over \$100 million as compared with \$75 million in fiscal year 1967.

Efforts continue toward the creation of a broader industrial and agricultural base within the islands' economy. To establish and maintain this economic stability, small manufacturing firms are continually being encouraged to establish operation in the islands. On St. Croix, two large industrial concerns are in production, providing employment opportunities for a large number of citizens.

Such diversification provides year-round employment at good wages for many islanders, and has helped bring about a higher standard of living than ever existed under the one-crop, one-industry, sugar economy of old. Virgin Islanders' per capita income is in excess of \$2,500 and is by far the highest in the entire Caribbean.

The sale of rum, the distilling of which is a major industry of the islands, is promoted through the Virgin Islands Rum Council, supported jointly by the rum distillers and the local government.

Tax exemptions and subsidy benefits long have been used by the local government to encourage industrial development. Incentives for private investment in hotels, guesthouses, industrial concerns, and housing projects include tax exemptions of up to 16

years and the return of 75 percent of income taxes in the form of subsidy.

Virgin Islands manufacturers of goods that contain not more than 50 percent of foreign raw materials are allowed duty-free entry into the United States of their products under section 301 of the U.S. Tariff Act. To guard against abuses of section 301, the local government sets up production quotas for certain classifications of textiles, and on the manufacture of watches, with higher taxes provided for production in excess of the quotas. The watch production legislation was supplanted in January 1968 by a congressional act designed for the same purpose but applicable as well to other territorial areas subject to the same section 301 treatment.

### *Population*

The Virgin Islands are in the midst of a population explosion. Currently, the resident population is estimated at 63,000, including alien workers and part-time residents, and it is expected this will jump to 70,000 by 1970. The total labor force is in excess of 26,000.

In 1960 the census recorded the resident population at 32,099. A breakdown of the 1960 population figures records 15,930 males and 16,169 females. Residents of urban communities numbered 18,017; 14,082 lived in rural areas, while 8,892 were enrolled in schools. The total labor force was 11,336, of which 7,363 were male and 3,971 female. Unemployment was listed at 3.4 percent.

English is the traditional language of the Virgin Islands. Some French is spoken by citizens of French descent on St. Thomas, and many Spanish-speaking families have come from Puerto Rico, chiefly settling in St. Croix.

The people are devout and worship in many churches including Roman Catholic, Anglican, Lutheran, Methodist, Jewish, Moravian, Seventh-Day

Adventist, Pilgrim Holiness, Christian Mission, Dutch Reformed, and Baptist.

### ***Health and Education***

The Virgin Islands have set an example for the entire Caribbean in the preservation of health, the development of education, and the replacement of slums with modern housing.

Each year sees further advances in hospital and public health services, and construction of two multimillion-dollar health centers designed to provide adequate facilities for the long-range needs of the community is expected to begin in the new fiscal year. Diseases once associated with tropical climates have long since been eradicated, and the climate eliminates the need for home heating or heavy clothing, further contributing to the good health of the Virgin Islands.

Educational standards continue to be upgraded. Public schools cover kindergarten through high school, and the islands' two major high schools have full accreditation. The College of the Virgin Islands, established in 1963, has reached an enrollment of 272 full-time students and 1,145 part-time students and in the new fiscal year will become a 4-year institution offering programs in liberal arts and teacher education. In addition, the college will continue to offer seven 2-year programs.

### ***Communication and Transportation***

All three Virgin Islands enjoy the facilities of a dial telephone system that is being constantly expanded to meet the growing needs of the community. Marine cables have been installed that has made possible direct dialing to Puerto Rico and to the mainland. Worldwide radio telegraph service is also available.

The islands are served by three radio stations, two television stations, and five newspapers, three of them dailies.

While most visitors came by air, flying in jet planes to Puerto Rico and then by smaller planes to the islands, aircraft design of recent years has affected this travel pattern. With the introduction of medium-range jet aircraft, capable of takeoffs and landings from short runways, the islands are now serviced by daily direct jet service from New York City and Miami. A growing regular seaplane service operates between the principal islands. Aside from short-stay cruise ship passengers, there are very few people who arrive by boat. Small native sloops and charter boats carry travelers between islands and to the nearby British Virgin Islands.

Local transportation is provided by bus, taxis, and rented vehicles. Most roads are paved, with continued improvement each year, and driving is on the left side of the road.

## HIGHLIGHTS OF THE YEAR

The first half of fiscal year 1968 marked the final 6 months of the year-long observance of the islands' 50th anniversary as a part of the United States and featured the hosting of the 59th Annual Governors' Conference enroute to and in the Virgin Islands in October. The event proved to be a fitting climax to 50 years of recorded progress, reflected in significant social, economic, and political development under the American flag.

Efforts to keep pace with the demands of a burgeoning population continue to be successful through broad programs in housing, health, education, and power and water expansion. Increasing tourism and the continued influx of new business and industry have sparked economic advancement.

The islands maintain a close working relationship with the Federal Government through the Congress, the Department of the Interior, and other Federal agencies, in the interests of steady progress toward the fulfillment of long-range goals.

### *A Virgin Islands Elective Governor Bill*

At the close of fiscal year 1968, an elective governor bill for the Virgin Islands to take effect in 1970, was assured. The Senate had passed the bill earlier in the year and the House acted favorably early in the new fiscal year. President Johnson signed the historic act on August 26, 1968. The act calls for the Governor and Lieutenant Governor to be elected by the people of the Virgin Islands. It also contains revisions in the 1954 Revised Organic Act

giving greater autonomy to the territory. These include an end to the Presidential veto of local legislation; the end of Presidential power to remove a Governor; changes in the authority of the federally appointed Comptroller and the removal of the ceiling on revenue bond issues.

President Johnson, on the occasion of the signing of the bill, stated that "it serves as proof of American dedication to the principles of self-government and home rule."

He lauded Virgin Islanders for the progress made in recent years.

### *The 59th Annual National Governors' Conference*

The Nation's Governors were hosted by the Virgin Islands government on the occasion of their 59th Annual Conference. The event was held aboard the S.S. *Independence* enroute from New York to the Virgin Islands in October with the final business session and festivities taking place in the islands. Forty-three of the State Governors', their families and staffs and more than 160 national news media representatives were given an enthusiastic welcome in both St. Thomas and St. Croix. Sightseeing, shopping, swimming, and boating were among the most popular activities with dinners held at Magens Bay in St. Thomas and Fountain Valley in St. Croix.

News coverage of the event was worldwide and the islands were featured on network, television, radio and in hundreds of newspapers and national magazines.

### *Oil Royalties for Conservation*

The Secretary of the Interior granted a 15,000-barrel-a-day finished product import quota to Hess Oil Virgin Islands with the stipulation that a royalty be paid on the increased quota to the Virgin Islands. This will provide close to \$3 million a year for island improvements and legislation has been enacted designating the use of the moneys for conservation, recreation, beautification, and cultural enrichment.

The resultant expansion of the Hess facilities is expected to involve the establishment of petro-chemical industries utilizing the byproducts of the petroleum operation and bringing a further diversification of industry and additional economic progress to the islands.

### *A Department of Conservation and Cultural Affairs*

Use of the oil royalties to be provided by the Hess Oil quota has resulted in the establishment of a department of conservation and cultural affairs to begin operation in the new fiscal year. The new department will have control over the enforcement of laws relating to conservation and the development of natural resources. It will undertake conservation programs and be responsible for restoration and preservation of scenic beauty and the promotion of cultural affairs in keeping with the islands historical and cultural heritage. At the beginning of the new fiscal year, a Commissioner had been appointed and a contract signed with one of the country's leading landscape architects and environmental



Governors of the States and members of their families cavort in Virgin Islands blue waters during the National Governors Conference held there in October 1967.

planners for an overall study of environmental design, preservation and development planning for the islands.

### ***Additional Bond Financing***

The Virgin Islands continued to receive the favorable endorsement of banking institutions both in the islands and on the mainland. At the beginning of the fiscal year, the government's outstanding bond debt stood at \$11,780,000. In December, the largest general obligation bond issue ever offered, \$6,915,000, was sold for school systems, health center planning, and water systems.

Close to \$7 million in general obligation bond anticipation notes were also issued for school and water expansion and \$8,800,000 in electric revenue bond anticipation notes were sold.

### ***Power and Water Expansion***

During the year, a 1-million-gallon-a-day water desalting plant was completed on St. Croix and a 2.5-million-gallon-a-day desalting plant with a 15,000-kilowatt net steam generating capacity was begun with completion expected in September of the new fiscal year. Total water distillation capacity for St. Thomas and St. Croix is now close to 5 million gallons per day.

Power production increased by 26.8 million kilowatts to a total of 162.5 million kilowatts. There is presently a total of 45,000 kilowatts available daily. A 2,000-kilowatt portable diesel generating unit was added to the power operation in September and a 10,000-kilowatt steam electric generating plant was placed in operation in November. Another 4,500-kilowatt diesel unit began operation in June.

### ***College Expansion and Building Program***

The College of the Virgin Islands completed its plans for expansion to

4-year programs in liberal arts and teacher education, and now boasts a 19-percent enrollment increase in the number of full-time students and a 50-percent increase in the number of part-time students. The first baccalaureate degrees will be awarded in 1970.

An ambitious building program was launched during the year with completion of new residence halls, faculty housing, and apartments scheduled for the start of the 1968 school year and a new library to be completed shortly thereafter. Plans were also completed for a nurse education building and a contract was let for the final design of the proposed Reichold Cultural Center.

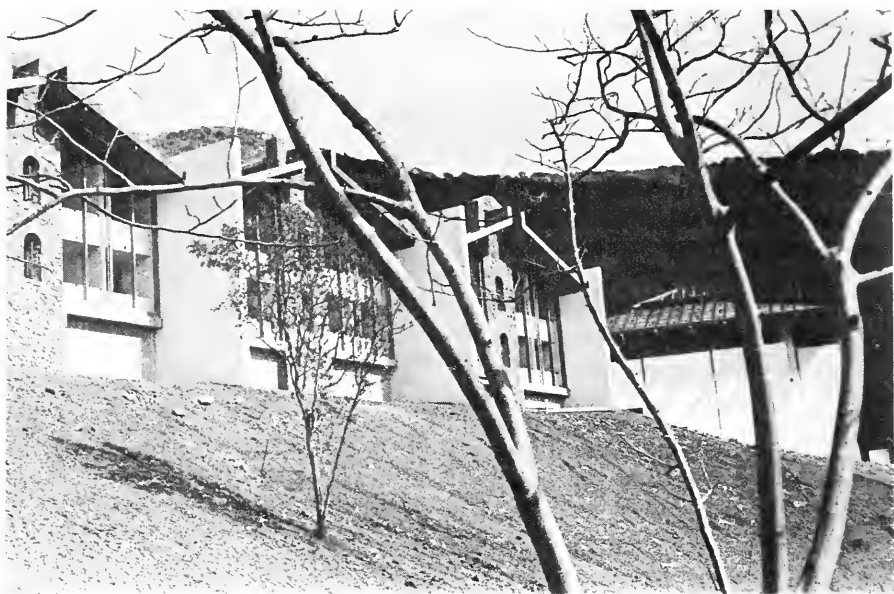
### ***School Construction and Educational Advancements***

During the fiscal year, the Wayne Aspinall Junior High School in St. Thomas, with 40 classrooms, was opened, Central High School in St. Croix with 42 classrooms began operation and an addition of 12 classrooms, a library, kitchen, and office to the New Nisky School was completed. An additional 16 rooms were added to other schools throughout the system.

Continued progress was realized in the curriculum and instruction areas of education. Adult education programs expanded and a joint teacher training program between New York University and the College of the Virgin Islands continued for the second year with practice teaching under the direction of NYU supervisors. For the first time, physics, chemistry, biology, and general science labs were completely provisioned in each senior high school.

### ***Teacher Affiliation and Negotiation***

During the year, Virgin Islands teachers affiliated with the American Federation of Teachers. The union's



St. Thomas, Virgin Islands, May 1968—New residence halls and student activities center at the College of the Virgin Islands near completion for occupancy in September.

representatives met with the department of education officials to negotiate contract agreements for the 1968–69 school year. Bargaining sessions throughout the spring culminated in a settlement giving teachers higher salaries and other fringe benefits.

### *Gains in Health and Housing*

New records were established in the number of patients cared for in hospitals and clinics on all three islands. A new pediatric ward was begun at Knud Hansen Memorial Hospital and an out-patient clinic is expected to be in operation shortly. Plans were laid and funds allocated for addition expansions. In St. Croix, at the Charles Harwood Memorial Hospital an enlarged emergency room was completed as well as an extension of the pediatric service. A 30-bed addition was opened and a major remodeling of the radiology department begun.

The breakthrough in housing, begun last year, has achieved major propor-

tions with the introduction of new financing methods for government housing construction. Private developers of large low-cost housing projects have also added dramatically to the number of new housing starts.

### *Economic Growth*

The economic upsurge continued with government revenues increasing, employment opportunities expanding, per capita income gaining, and tourist-derived dollars setting new records. Tourist expenditures exceeded \$90 million during the year as compared with \$75 million the preceding year. Banking activities continued to expand, with bank assets exceeding \$230 million.

### *Tourism Development*

Once again, the number of tourists visiting the islands established new records with more than 923,000 visitors as compared with 640,000 the year before. The growing popularity of the islands as a vacationland has been



stimulated by the Department of Commerce's strong promotional efforts and an active mainland-based public relations program.

### *Air Service Expansion*

Pan American stepped up its number of direct flights to the Virgin Is-

lands to six per day, including the inauguration of direct service from Miami as well as the already established service from New York.

Customs preclearance previously established on St. Croix for the convenience of returning visitors was also established on St. Thomas and further



Director of Territories for the Department of the Interior, Mrs. Ruth VanCleve, chats with Boy Scout during a visit to St. Croix.

improvements were made to the runways and building facilities at both airports.

Recommendations were made for a new jetport on the east end of St. Thomas. A number of reports and studies on the feasibility of such an airport have been compiled and presented to the legislature and the public.

### *Public Television System*

Groundwork was laid for a public television system to serve all three islands. The legislature passed bills to create and finance such a system. A PTV commission was organized. Consultants were retained. A spokesman for the administration appeared before the House Committee on Interstate and Foreign Commerce to support the Public Television Act of 1967. The commission studied sites for transmitters on St. Croix and St. Thomas and for a studio on St. Thomas. A general manager was retained after a series of interviews of candidates in Washington and St. Thomas. The Department of Health, Education, and Welfare was contacted, with a view to an application for a grant to help meet construction and facilities costs. The possibility of aid from the Ford Foundation also was explored. A series of studies of the

legal, engineering, and financial aspects of a new PTV system was made.

### *New Personnel Program*

With the assistance of a team of consultants, a survey was conducted over a period of 5 months for the purpose of reviewing and evaluating the personnel system of the government. Directed by the division of personnel, it sought, through recommended improvements and legislation, to elevate the standards of service performed by the government for its citizens. On the basis of the survey's recommendations, four bills to effect changes in personnel policies were introduced into the legislature and passed. Part of the program that was devised called for adjustment of salaries involving increases totaling approximately \$3 million annually. A number of positions previously unclassified, with tenure subject to the discretion of the administration, were classified, with resultant increase in the security of the employee. The new program in its early stages has given evidences of advances toward its goals of improving employee performance and productivity and increasing employee satisfaction and motivation with the challenge of useful and rewarding careers in government.

# LEGISLATION APPROVED BY THE SEVENTH LEGISLATURE OF THE VIRGIN ISLANDS, JULY 1967-JUNE 1968

Act No. 2095—To Make Technical Amendments to Chapter 89 of Title 33 Relating to the Sale of Real Property for Delinquent Real Property Taxes.

Act No. 2096—To Exempt the Virgin Islands from the Observance of Daylight Savings Time.

Act No. 2109—To Amend Section 186, Title 17, of the Virgin Islands Code, Relating to the College Entrance Test.

Act No. 2126—Act To Repeal Title 22 of the Virgin Islands Code, Entitled "Insurance," as Amended. To Enact a New Title 22 "Insurance" of such Code, and for Other Purposes.

Act No. 2094—To Amend Act No. 2092, Approved January 3, 1968, Relating to the Regulation of the Car Rental Industry.

Act No. 2184—To Regulate the Practice of Architecture, Engineering, and Land Surveying and for Other Purposes.

Act No. 2127—Act To Repeal Title 9, of the Virgin Islands Code, Entitled "Banking," as Amended, To Enact a New Title 9 "Banking" of such Code, and for Other Purposes.

Act No. 2098—To Amend Section 718, Title 3, of the Virgin Islands Code Relating to the Financing of the Government Employees Retirement System.

Act No. 2114—To Define the Crime of Annoyance by Telephone, Tele-

graph, or Written Communication and to Provide for the Punishment of Same.

Act No. 2111—To Provide for Compensation to Innocent Victims of Certain Criminal Offenses or the Dependents of such Victims, To Establish a Criminal Victims Compensation Commission, and for Related Purposes.

Act No. 2103—To provide for a Recreational Area in Estate Profit, St. Croix, and for Other Purposes.

Act No. 2104—To Provide for a Water Tank at Estate Profit St. Croix, and for Other Purposes.

Act No. 2106—To Establish a Special Legislative Committee To Study the Industrial Incentive Program for the Virgin Islands and for Other Purposes.

Act No. 2161—To Clarify and Amend Chapter 1 of Title 34 of the Virgin Islands Code, Relating to the Providing of Travel Assistance by the Commissioner of Social Welfare.

Act No. 2116—To Regulate Billboards along the Public Highways of the Virgin Islands.

Act No. 2185—To Authorize the Lighting of Certain Areas on the Island of St. Croix and for Other Purposes.

Act No. 2128—To Establish the Virgin Islands Racing Commission, To Amend Certain Provisions of Chapter 11, Title 32, Virgin Islands Code, Re-

lating to Horse Racing in the Virgin Islands, and for Other Purposes.

Act No. 2186—To Appropriate Funds and To Provide Other Territorial Contribution in Connection with the Taarneberg-Ross Urban Renewal Projects, St. Thomas.

Act No. 2117—To Amend Section 134 of Title 28 of the Virgin Islands Code, Relating to Exemptions from Recording Fees, and for Other Purposes.

Act No. 2107—To Authorize an Agreement for the Construction of Molasses Storage Tanks in St. Croix, To Provide an Appropriation for Certain Preparatory Work in Connection Therewith, and for Other Purposes.

Act No. 2119—To Authorize the Governor to Execute Amendment No. 5 to Cooperation Agreement Between the Government of the Virgin Islands and the Virgin Islands Housing Authority.

Act No. 2121—To Authorize the Committee on the Judiciary of the Legislature to Co-Sponsor with the Department of Law the 1968 Northeast Conference on Uniform Reciprocal Support.

Act No. 2122—To Authorize the Department of Agriculture to Conduct a Cost of Living Study for Development of the Spring and Water Hole at Banana Gut, No. 16 Estate Enighed, St. John and for Other Purposes.

Act No. 2123—To Provide for the Disposition of Unpaid Government Checks, for the Escheat of Certain Moneys in Relation Thereto, and for Other Purposes.

Act No. 2151—To Amend the Provisions of Subchapter III of Chapter 45 of Title 19 of the Virgin Islands Code Relating to Judicial Proceedings for the Apprehension and Treatment of Mentally Ill Persons.

Act No. 2141—To Amend the Provisions of Section 1532 of Title 33 of the

Virgin Islands Code Relating to the Unauthorized Disclosure of Information.

Act No. 2130—To Repeal Chapter 7 of Title 33 of the Virgin Islands Code Relating to Stamp Taxes, and To Enact a New Chapter 7 of Such Title.

Act No. 2132—To Amend Section 474 of Title 5, Virgin Islands Code, Relating to Writs of Execution.

Act No. 2163—To Authorize the Construction of a Building for the Girl Scouts in St. Croix, Virgin Islands, and for Other Purposes.

Act No. 2134—To Amend the Provisions of Chapter 9 of Title 27 of the Virgin Islands Code Relating to the Assessment of Administrative Penalties for Filing of Application for License after Statutory Deadline.

Act No. 3135—To Amend the Provisions of Chapter 9 of Title 24 of the Virgin Islands Code Relating to the Issuance of License for the Operation of Employment Agencies.

Act No. 2177—To Amend and Clarify Chapter 11 of Title 24 of the Virgin Islands Code Relating to Workmen's Compensation.

Act No. 2139—To Authorize the Establishment of the Virgin Islands Public Television System, To Create an Interim Commission for said Purpose, and for Other Purposes.

Act No. 2204—To Authorize the Extension of the Potable Water System to the Golden Rock Area, St. Croix, and for Other Purposes.

Act No. 2036—To Authorize the Governor To Execute Further Amendment to a Certain supplemental Agreement with Hess Oil Virgin Islands Corporation, To Establish the Virgin Island Conservation Fund, and for Other Purposes.

Act No. 2042—To Amend Certain Provisions of Chapter 12 of Title 24 of the Virgin Islands Code, To Provide a Reduction in the Rate of Contribu-

tion; To Increase Maximum Benefits, To Improve the Collection of Contributions, and for Other Purposes.

Act No. 2048—To Authorize the Construction of a Post Office Facility in Cruz Bay, St. John, and its Leasing to the United States Post Office Department.

Act No. 2050—To Amend Section 4094 of Title 33 of the Virgin Islands Code, Relating to Special Tax and Fee Benefits for Housing Constructors.

Act No. 2061—To Clarify the Provisions of the Personnel Merit System Law Relating to the Qualification and Compensation of Vocational Teachers.

Act No. 2066—To Amend Certain Provisions of Title 20, Virgin Islands Code, Relating to Automobiles for Hire and for Other Purposes.

Act No. 2067—To Authorize the Commissioner of Agriculture and Recreation To Take Certain Measures for the Eradication of the African Bont Tick, Establish the Emergency Tick Eradication Fund, and for Other Purposes.

Act No. 2069—To Increase the Amount of Bond Authorization Under Section 113, Title 30, of the Virgin Islands Code, Relating to the Virgin Islands Water and Power Authority.

Act No. 2083—To Authorize the Governor To Enter into a Lease Agreement with the Peace Corps of the United States for the Camping Facilities at Estate Mandahl, St. Thomas.

Act No. 2084—To Amend Act No. 1927, Approved April 18, 1967, To Provide Guarantees for Mortgages and for Other Purposes.

Act No. 2086—To Stipulate that the Seventh Legislature of the Virgin Islands shall meet in Regular Session Commencing on January 22, 1968.

Act No. 2093—To Ratify Certain Modifications of the Agreement Between the Government of the Virgin Islands and Hess Oil Virgin Islands

Corporation, dated September 1, 1965, as Amended and Supplemented.

Act No. 2212—To Regulate the Practice of Optometry in the Virgin Islands, and for Other Purposes.

Act No. 2213—To Amend Title 24 of the Virgin Islands Code Relating to the Virgin Islands Wage Board, and for Other Purposes.

Act No. 2221—To Amend 33 Virgin Islands Code, Section 1102, Subsection (b) to Increase Income Tax Reserve from 3 percent to 4.5 percent for Payment of Tax Refunds.

Act No. 2225—To Establish a Special Committee for the Designation and Redesignation by Name of Public Facilities in the Virgin Islands, and for Other Purposes.

Act No. 2228—To Amend Section 772 of Title 22, Virgin Islands Code, Relating to Nonresident Insurance Agents and Brokers.

Act No. 2238—To Amend Title 3 of the Virgin Islands Code to Provide for the Establishment of the Department of Conservation and Cultural Affairs, To Provide for the Reorganization of the Government of the Virgin Islands, and for Other Purposes.

Act No. 2240—To Amend Chapter 41 of Title 20, Virgin Islands Code, To Add a New Section Relating to Motorcycles and Motor Scooters.

Act No. 2252—To Provide for the Popular Election of the Boards of Elections for the Virgin Islands and for the Virgin Islands Board of Education, and for Other Purposes.

Act No. 2253—To Provide for the Reapportionment of the Legislature of the Virgin Islands, to Amend Certain Provisions of Title 18, Virgin Islands Code, and for Other Purposes.

Act No. 2258—To Provide for the Conservation and Preservation of Historic and Cultural Assets of the Virgin Islands, and for Other Purposes.

Act No. 2259—To Provide for the



Girl Scout Week is observed with scouts taking over government positions for a day. Here three girl scouts "preside" over the Virgin Islands Senate, a 15-man unicameral Legislature.

Licensing of Barbers and Beauticians in the Virgin Islands, and for Other Purposes.

Act No. 2272—To Amend Chapter 25, Title 3, of the Virgin Islands Code by the Addition of a New Subchapter XI (Personnel Training System), and for Other Purposes.

Act No. 2279—To Amend Chapter 5, Title 23, of the Virgin Islands Code Relating to the Control of Firearms and Ammunition, and for Other Purposes.

Act No. 2257—To Amend Title 18, Virgin Islands Code, by Adding a Chapter 2 Thereto, To Provide for an Elected Washington Representative of the People of the Virgin Islands, and for Other Purposes.

Act No. 2283—To Amend the Provisions of Chapter 1, Title 20, of the Virgin Islands Code Relating to the Con-

struction of Private Roads and Driveways.

Act No. 2287—To Amend the Provisions of Subdivision (a) of Section 473 of Title 20 of the Virgin Islands Code Relating to the Traffic Advisory and Safety Committee.

Act No. 2294—To Amend the Provisions of Act No. 986 (Bill No. 1920, Approved March 26, 1963) To Grant Occupants of Single-Family Units in Emergency Housing Projects a First Priority in the Purchase of Housing Units, To Set Standards for the Sale of Emergency Housing Units and for Other Purposes.

Act No. 2295—To Authorize the Establishment of a Driver Education Program, and for Other Purposes.

Act No. 2296—To Amend Title 14 of the Virgin Islands Code to Define

the Crime of Loitering and for Other Purposes.

Act No. 2298—To Amend the Provisions of Section 493 of Title 20 of the Virgin Islands Code Relating to the Operation of a Motor Vehicle While in an Intoxicated Condition.

Act No. 2311—To Amend Certain Provisions of Subchapters I, IV and VI of Chapter 25, Title 3, Virgin Islands Code (Career Personnel Service).

Act No. 2306—To Authorize the De-

partment of Law to Host the Annual Conference of the National Association of Attorneys General in the Virgin Islands During the Year 1969, and for Other Purposes.

Act No. 2313—To Amend Certain Provisions of Chapter 25 of Title 13, Virgin Islands Code. (Pay Plan.)

Act No. 2315—To Amend Section 951, Title 11 of the Virgin Islands Code, Relating to the Legal Rate of Interest and for Other Purposes.

# VIRGIN ISLANDS WATER AND POWER AUTHORITY

Personnel: 271

The Virgin Islands Water and Power Authority was acquired by the government of the Virgin Islands on June 1, 1965, from the former Virgin Islands Corporation, a federally owned corporation.

The Virgin Islands Water and Power Authority manufactures and distributes electricity on St. Thomas and St. Croix islands. By means of submarine cables, the island of St. John, Water Island, and Hassel Island are furnished electric power.

There are now two water distillation plants on St. Thomas with a total capacity of 1,250,000 gallons per day.

For St. Croix, bids were let in May 1967 for a 1-million-gallon-per-day water desalting plant to be built in conjunction with the Worthington Steam Electric Plant. The successful bidder was Stearns-Roger Corp. of

Denver, Colo. Construction of this unit began in October 1967 and the plant was completed and went into commercial operation in May 1968. There are still some modifications to be done on this unit.

All water manufactured on both islands is pumped into the facilities of the public works department, who is the authority's only customer, and then sold to the general public. A total of 285.6 million gallons of water was produced during the year and 263.6 million gallons sold to the public works department for distribution.

There is a total of 18,300 electric customers of whom 10,070 are in the St. Thomas-St. John service area, and 8,230 in the St. Croix service area. The increase in the numbers of customers is approximately 1,708 over the past year.

The following is a list of electric bills issued during fiscal years 1966, 1967 and 1968:

	1966		1967		1968	
	St. Thomas	St. Croix	St. Thomas	St. Croix	St. Thomas	St. Croix
Residential.....	83,218	63,171	91,211	69,788	99,423	76,755
Commercial.....	12,234	12,441	13,011	13,679	14,533	14,497
Large power.....	984	863	1,329	1,159	1,646	1,392

The total power production on St. Croix was 65 million kilowatt-hours or 14.1 million kilowatt-hours higher than 1967. On St. Thomas, the total pro-

duction was 97.5 million kilowatt-hours or 12.7 million kilowatt-hours higher than last year.

The maximum peak demand on St.





Virgin Islands water and power facilities at Krum Bay in St. Thomas. The islands presently convert close to 5 million gallons of sea water to fresh water daily.

Thomas for the year was 16,300 kilowatts against last year's peak of 14,600 kilowatts. On St. Croix, the maximum peak demand was 11,800 kilowatts against the previous year peak of 9,550 kilowatts.

Following is a listing of present electric facilities now in operation on both islands:

St. Thomas plant:	<i>Kilowatts</i>
Unit No. 1 diesel.....	600
Unit No. 2 diesel.....	600
Unit No. 3 diesel.....	2,500
Unit No. 4 diesel.....	600
Unit No. 5 diesel.....	750
Unit No. 6 diesel.....	1,250
Unit No. 7 diesel.....	2,000
Unit No. 8 steam.....	3,000
Unit No. 9 diesel.....	3,000
Unit No. 10 steam.....	7,000
Total kilowatts available...	<u>21,300</u>

St. Croix plant:	<i>Kilowatts</i>
Unit No. 1 diesel.....	429
Unit No. 2 diesel.....	234
Unit No. 3 diesel.....	248
Unit No. 4 diesel.....	1,000
Unit No. 5 diesel.....	965
Unit No. 6 diesel.....	750
Unit No. 7 diesel.....	2,216
Unit No. 8 diesel.....	2,400
Unit No. 9 diesel.....	1,000
Unit No. 10 steam.....	10,000
Unit No. 12 diesel.....	4,500

Total kilowatts available... 23,742

A total of 411 new mercury vapor street lights were installed during the year in addition to gradually replacing the old incandescent types that have been in use for many years.

During the year, 3,464 new meters were installed which includes new in-

stallations and changing out of large numbers of old surface type meters.

About 75 miles of primary and secondary lines were constructed during the year, 33 miles on St. Thomas and 42 miles on St. Croix.

Transformer capacity added to the distribution system during the year were 6,825 kilovolt-amperes to St. Thomas and 3,500 kilovolt-amperes to St. Croix.

Because of the large number of leaks, the four Aqua-Chem evaporators were out of service for several months for complete retubing. The existing tubes which were made of aluminum bronze were replaced with copper nickel tubes. While these evaporators were out of service, a 12,000-gallon-per-day flash type evaporator unit was rented from Aqua-Chem Corp. to produce feed water makeup.

A new and larger Westinghouse evaporator body arrived on St. Thomas on August 18, 1967, to replace the existing one which was installed when the water plant was constructed. The old unit could not produce the guaranteed 1 million gallons per day.

The new unit has produced as much as 1,180,000 gallons per day, and it is expected that it will continue to produce the guaranteed capacity.

For St. Thomas, a \$6.3 million contract for a combination 2.5-million-gallon-per-day desalting plant and a 15,000-kilowatt net steam generating plant was awarded to Baldwin-Lima-Hamilton Corp. of Philadelphia, Pa., a subsidiary of Armour & Co. and International General Electric Co. It is estimated that both units would be ready for commercial operation by September 1968.

A 2,000-kilowatt portable diesel electric generating unit was received in St. Thomas on September 2, 1967, from Worthington Corp. This is a skid unit and

was immediately assembled and placed in operation within a few weeks. In case of emergency, such as a hurricane, this unit would be shipped to St. John for operation until the crisis is over.

The 10,000-kilowatt Worthington steam electric generation plant under construction on St. Croix was placed in commercial operation on November 30, 1967, under a crash program to meet the electric demand of the island. For the St. Croix plant, the Governing Board authorized the purchase of a 4500-kilowatt Enterprise diesel general unit. Construction of this unit was very rapid and it was placed in operation in June 1968. It was necessary to have this diesel in service before the Worthington unit could be taken out of service for final adjustments.

By Resolution No. 44, the Governing Board authorized the Executive Director to take bids for a 15,000-kilowatt steam electric powerplant for the island of St. Croix with provisions for future addition of approximately 2½ million gallons per day sea water distillation plant.

Bids for the 15,000-kilowatt steam electric plant only, with provisions for a future water plant, were opened on February 13, 1968. The IGE Export Division of General Electric Co. presented the lowest and best bid in the amount of \$3,740,536.00 with a completion date of 690 days after award of the contract.

In March 1968 the firm of Jackson & Moreland submitted a financial feasibility of electric system expansion report. The purpose of this report is to determine the financial feasibility of providing for expansion of the electric power system in the Virgin Islands to meet anticipated growth requirements through fiscal 1971-72. This report supersedes an earlier one submitted in March 1967.

On April 19, 1968, the authority

offered for public sale \$8.8 million electric system bond anticipation notes—1968. This is in accordance with chapter 5 of title 30 of the Virgin Islands Code, as amended. The Governing Board noted acceptance of the low bid from Chase Manhattan Bank at an annual interest rate of 420 percent. The new notes will mature on April 15, 1969.

Quotations were received from 12 insurance companies for group life insurance coverage for employees of the authority. After carefully reviewing these quotations, it was decided to obtain the proposals submitted by Pilot Life Insurance Co.

On August 17, 1967, the coverage went into effect. The authority was guaranteed the rate of \$6 per \$1,000 of coverage for a period of 2 years from August 17, 1967, to August 17, 1969.

Bids for medical and hospital insurance for the employees of the authority was taken on November 17, 1967. After evaluation and analysis of the bids received from eight insurance companies, the quotation submitted by Pilot Life Insurance Co. was accepted.

The authority will pay the entire cost of the employee premium. However, if dependent coverage is desired, one-half the cost will be paid by the authority. The employee pays the other half. The maximum cost to the authority is approximately \$35,000 per annum for 250 employees.

The St. Thomas Administrative Office on the first floor of Building 18 in Sub Base was completely renovated. The walls were paneled, floor tiled, and a new ceiling with modern lights installed. A glass enclosed computer room was also installed to accommodate the NCR data processing equipment.

The St. Croix Administrative Office was also relocated from the old business office building to a newly renovated building across the yard.

In February the electronic data processing equipment arrived, and was installed about a week later. This is a magnetic ledger system.

At present the equipment is posting customers daily receipts and preparing several thousand electric bills monthly. The transferring of the billing from St. Croix to St. Thomas is still in progress.

# VIRGIN ISLANDS AIRPORT AND INDUSTRIAL RESOURCES AGENCY

Personnel: 181

Operating Appropriation: \$963,585

The Virgin Islands Airport and Industrial Resources Agency was created by act No. 1684 of the legislature, as amended, and operates within the Office of the Governor. During fiscal 1967-68, activities of the agency were financed by operating revenues, approximately equal to major mainland operations, carried out by a staff of 170 employees.

## *St. Thomas Operations*

Major operations on St. Thomas included Harry S. Truman Airport, the Submarine Base, Crown Bay Fill, and the Antilles Airboats land-lease at the Charlotte Amalie waterfront. Operations of these facilities was financed by cash collections from operating revenues totaling \$698,901.87.

Harry S. Truman Airport saw a record number of passengers, aircraft landings, and cargo movements during the year and collections from operations increased almost 32 percent over the previous year. Collections amounted to \$473,211.12 during fiscal 1967-68 compared to \$359,165.04 for the previous year. Increased rental income from commercial tenants and hotels contributed to this substantial gain. Rental income totaled \$270,039.83, up almost 37 percent from the previous year's total of \$197,365.64.

A total of 503,732 passengers arrived at Harry S. Truman Airport during the year, 122,062 operations were recorded and 8,511,487 pounds of cargo moved through the terminal.

Major development projects at this airport included inauguration of direct service from Miami by Pan American World Airways, increase of daily direct flights from the mainland to a total of six, opening of a branch of the Virgin Islands National Bank, installation of a telephone service center for overseas and local calls, and initial steps for preclearance services.

Other major St. Thomas facilities were active with collections from the submarine base and former Vicorp properties amounting to \$220,927.38 and initial phases of commercial development at the Crown Bay fill producing \$14,264.67.

## *St. Croix Operations*

Operations and income from Alexander Hamilton Airport increased substantially with airport collections amounting to \$187,151.22 during the fiscal year 1967-68 and operations recorded by the Federal Aviation Agency reached a total of 46,574. On St. Croix, 43,953 passengers were processed through the U.S. customs preclearance facilities as compared to 14,140 during the previous year.

A total of \$75,000 was transferred to the special airport fund from the general fund for airport operations.

## *Other Highlights of 1967-68*

During the year, the Agency entered into 87 lease agreements. Thirty-five of these leases have been approved and

have obligated tenants for capital improvements to government-owned properties. These improvements will cost an estimated \$3 million and, at the end of lease terms, will become the property of the Virgin Islands government.

On March 12, 1968, an agreement was reached with the Federal Aviation Agency which will make it possible for the Virgin Islands Airport and Industrial Resources Agency to enter into long-term leases with private investors which provide for uninterrupted occupancy.

During the past year, the Army Re-

serve Building and land on St. Thomas were transferred to the Virgin Islands government.

Looking to the future, the agency also was involved in presenting reports to the public on the proposed new jetport at Long Point Site. The agency believes that our citizens and our visitors must have a safer, more attractive and efficient facility and that larger jets will increase this need. The agency also endorsed the Governor's proposal to establish a Virgin Islands Port Authority to administer all aviation and marine activities at an operating level equal to major mainland operations.



The Harry S. Truman Airport in St. Thomas enlarged to take direct jet flights from the mainland stretches behind Lindberg Bay. In the background is the campus of the College of the Virgin Islands.

# PUBLIC UTILITIES COMMISSION

Personnel: 2

Operating Appropriation: \$41,120

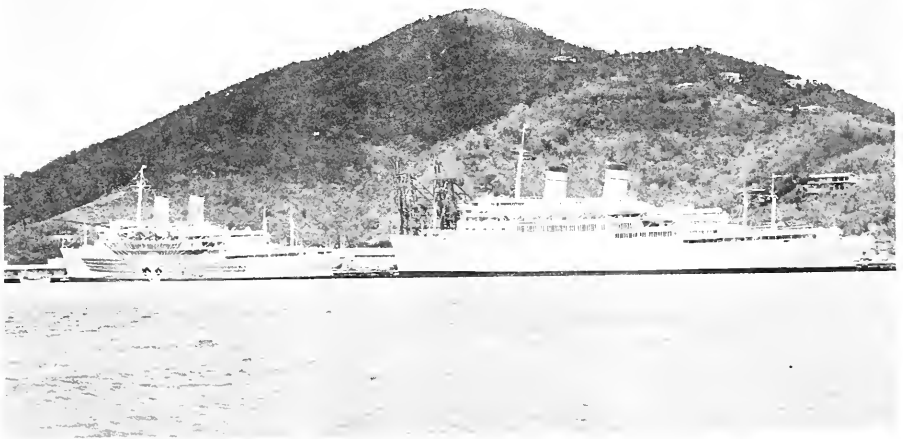
The Virgin Islands Public Utilities Commission continued, throughout the fiscal year, in its efforts to conduct thorough examinations of all utilities subject to its regulations. It was a year of vigorous commission action.

## *Shipping*

In fiscal 1968, St. Thomas maintained its leadership as the leading cruise ship port-of-call in the Caribbean with 301 vessels carrying 150,000 passengers to visit the island. Most of

the ships berth at the West Indian Co.'s wharf so this active traffic was reflected in greater income from fees and wharfage.

In recent years, cargo movement from the east coast has tended toward containers which are transhipped into roll-on, roll-off barges for delivery to neighboring islands. To increase dock activities of the West Indian Co., arrangements were made with a major barge operator to use the company's dock facilities. This move meshes with



Cruise ships line up at West Indies dock in St. Thomas to disgorge passengers. Over 250 ships come to the Virgin Islands each year, bringing hundreds of thousands of tourists.

the company's overall plans for construction of additional warehousing capacity on land adjacent to the dock. Plans also include a new road system to improve traffic flow in the dock area.

On August 24, 1967, the West Indian Co., requested a rate increase on landing and loading fees. Consultants to the commission examined the company's accounts and found that records and procedure were inadequate for rate determination and recommended that "despite limited available data \* \* \* we are of the opinion that the request for rate relief by the West Indian Co. has not been supported and accordingly, recommend that the application be denied." Should the company accept the suggested accounting outline submitted to it, and up-date its records the commission may entertain a subsequent request.

The year saw continued orderly development of the Christiansted, St. Croix, docking facilities although more warehouses and sheds, bonded and unbonded, are needed. Since there is no single cargo handling contractor serving Christiansted, Island Transport, and Florida Lines are the de facto cargo handlers and their rates are on file with the commission.

At the Frederiksted deep water pier in St. Croix, where facilities are considered a utility, Cargo Services, Inc., told the commission that it is an "untenable" position because, although it is the successful bidder as cargo-handling contractor, it has no contract with the government. The utility has petitioned for a government ruling and the matter is being expedited by the departments of law and commerce.

### *Telephone Service*

In August 1967 the commission launched an investigation of the Virgin Islands Telephone Corp. (Vitelco) activities, rates, charges and services and

requested monthly reports. These reports provide the commission with detailed data on the corporation's financial situation and level of service performance. They enable the commission to monitor service on all three islands and direct remedial action.

On January 17, 1968, the commission issued its first order of remedy setting out minimum service standards on dial-tone delay and operator's speed of answer and directing Vitelco to change central office equipment and adopt a system of tones and announcements. The order also called for specific traffic engineering and technical studies to enable the commission to direct further remedial action and for specific plans for improvements in transmission quality, microwave cutoffs, personnel, and other areas of concern.

Vitelco complied with the order and there is continuing communication between the commission, its consultants, and company executives so that improvements can be made through informal procedures.

Studies showed that there is sufficient line capacity and central office equipment at Christiansted and Frederiksted so that dial-tone delays should be at a minimum. At the Charlotte Amalie exchange, an additional 1,000 lines will be cut over early in fiscal 1969 which will alleviate the dial-tone problem as related to line capacity.

Commission action has assured sufficient equipment to provide satisfactory service and is directing attention to in-plant operating problems. These problems can best be solved by Vitelco's management but commission consultants have been directed to assist on this assignment.

Commission consultants were also asked to study Vitelco's investment program related to future demands and the conclusion was reached that Vitelco's stepped-up investments will

provide capacity to serve the booming needs of the islands in the future.

During the year, a review of financial statements indicated that no significant reduction in local rates was feasible under legal standards. However, a submarine cable to the mainland was scheduled to go into operation early in the next fiscal year and a rate reduction of 25 percent on long-distance calls was filed with the FCC late in fiscal 1968.

Expansion of coinbox service was scheduled for completion by the end of fiscal 1969. Coinboxes in Charlotte Amalie would be increased from 141 to 160; in Christiansted, from 43 to 70, and in Frederiksted, from 29 to 40. Vitelco's budget for 1968 called for cutover of the coinbox telephones from postpaid to prepaid.

### *Vicom*

Virgin Isle Communications reported a substantial increase in gross income in 1967 with a total of \$44,000 compared to \$28,000 for 1966. Its mobile services were expanded to include VHF radio-telephone service to land and mobile stations in St. Thomas, St. John, and St. Croix and the British Virgin Islands; Marine radio-telephone communications to

ship; telephone answering service for subscribers in St. Croix, St. Thomas, and the British Virgins and sales and service.

On December 31, 1967, Her Majesty's Government terminated Vicom's license for VHF service to the British Virgin Islands. However, loss of revenues from this service were made up by a 10-percent increase in St. Thomas and St. John subscribers. Virgin Isles Communication transferred its sales and service division to Caribbean Engineering & Communications, limiting its activities to radio-telephone communications.

### *Passenger Bus Service*

During fiscal 1968, Passenger Bus Utility expanded service to meet growing demands. On St. Croix, additional routes were established to serve the Grove Place-Calquhoun area, the Hess-Harvey developments, and from Christiansted to the eastern end of the island with weekend and holiday service to Kramer's Park.

On St. Thomas, the Sub Base Bay area transferred to the Virgin Islands government is now serviced regularly and additional rural service has been added to the east-end area.



# BOND ISSUE AND INTERIM FINANCING

Virgin Islands bonds and bond anticipation notes continued to be favorably received in the national money market. Financing provided in this manner has enabled the government to proceed with plans for five new schools, three of which were completed and utilized last year; expand and improve older school facilities; to acquire land and provide preliminary designing and planning for two modern health centers; to build modern desalinization plants for the conversion of sea water to fresh water, an important step toward stabilizing our fresh water supply; and to build new modern electric plants toward the development of adequate and stable power capacity.

At the beginning of the fiscal year the government had outstanding \$5,020,000 in general obligation bonds, \$6,915,000 in general obligation bond anticipation notes, and \$4 million in electric revenue bond anticipation notes. The total outstanding debt was \$15,935,000.

On November 29, 1967, notices of sale were issued for the second and largest bond issue offered by the government up to the present time. The issue was comprised of \$6,915,000 general obligation bonds for the following purposes:

School systems.....	\$500, 000
New health centers.....	1, 000, 000
Water distribution systems.....	2, 815, 000
Water production systems.....	2, 600, 000
Total .....	6, 915, 000

The proceeds of this sale were used to retire the interim general obligation notes outstanding on July 1, 1967.

Bids were received and opened in the offices of Wainwright & Ramsey, Inc., New York City, on December 13, 1967, at 11 a.m. Four bids were received. The successful bidder for these 25-year bonds was Blythe & Co., Inc., and Smith, Barney & Co., Inc., and Associates, bidding at a net interest cost of 4.87 percent. Other bids were as follows:

Bidder	Rate (percent)	Premium
First National City Bank and the First Boston.....	4. 8891	\$221. 28
Halsey, Stuart, & Co., Inc., and Drexel Harriman Ripley, Inc. ....	4. 9135	.....
The Chase Manhattan Bank, N.A. & Associates.....	4. 9411	297. 50

All of the 1967 bonds are dated December 1, 1967, and mature serially each December 1, 1968, through 1992, with semiannual interest payments due each June 1 and December 1.

During the course of fiscal year 1968 the following new general obligation bond anticipation notes were issued:

1. December 18, 1967—\$4,555,000 purchased by the Chase Manhattan

Bank at an interest rate of 4 percent for the following purposes:

Public school systems.....	\$500,000
College of the Virgin Islands..	102,000
Water distribution systems....	1,053,000
Water production systems.....	2,900,000
Total .....	4,555,000

2. May 18, 1968—\$2,298,000 for public school systems purchased by the Chase Manhattan Bank at interest rate of 3.94 percent.

The above notes totaling \$6,853,000 all mature on December 18, 1968.

In the area of revenue bond financ-

ing one large sale of \$8,800,000 in electric revenue bond anticipation notes took place on April 15, 1968. The notes were purchased by the Chase Manhattan Bank at an interest rate of 4.20 percent. The purpose of this sale was to renew the earlier notes issued in 1967 in the principal amount of \$4 million and to provide additional financing of \$4,800,000 for electric power production facilities.

In summary the status of bond financing as of June 30, 1968, was as follows:

#### I. General obligation bond financing

##### A. Cumulative bond issues authorized by the legislature

<i>Purpose</i>	<i>Amount</i>
New health centers.....	\$2,000,000
School buildings and facilities.....	7,702,000
Water production and distribution systems.....	9,368,000
Total .....	19,070,000

##### B. Bonds and bond anticipation notes issued

<i>Purpose</i>	<i>Bonds</i>	<i>Notes</i>	<i>Total</i>
New health centers.....	\$2,000,000		\$2,000,000
School building and facilities.....	4,700,000	\$2,900,000	7,600,000
Water production and distribution systems.....	5,415,000	3,953,000	9,368,000
Totals.....	12,115,000	6,853,000	18,968,000

##### C. Balance outstanding against bond and note issues

Total bonds issued.....	\$12,115,000
Payments against mature principal.....	365,000
Balance of outstanding principal bonds.....	11,750,000
Total outstanding bond anticipation.....	6,853,000
Total .....	18,603,000

##### D. Relationship of authorized and incurred general obligation debt to legal debt limitation under Public Law 88-180

Assessed valuation of taxable real property.....	\$197,520,096
Debt limitation (10 percent of aggregate assessed valuation of real property in the Virgin Islands).....	19,752,009.60
General obligation debt authorized.....	19,070,000
Less bonds retired as of June 30, 1968.....	365,000
Total .....	18,705,000.00
Balance available for new authorizations.....	1,047,009.60

## II. Revenue bond financing

The legal limitation on revenue bond debt as of June 30, 1968, was \$30 million as defined in Public Law 88-180. At the end of June 1968 authorizations and issues under this ceiling were as follows:

<i>A. Authorizations</i>	
<i>Purpose</i>	<i>Amount</i>
Electric power production facilities by the Virgin Islands Water and Power Authority -----	\$25,000,000
Housing and service facilities, College of the Virgin Islands-----	1,661,000
Total authorized-----	26,661,000
Balance available for new authorization under June 30, 1968, ceiling-----	3,339,000
Total -----	30,000,000

### *B. Bond and bond anticipation notes issued*

Of the \$26,661,000 revenue bonds authorized only \$8,800,000 in revenue bond debt had been incurred by the end of June 1968. This was in the form of electric revenue bond anticipation notes of the Virgin Islands Water and Power Authority for electric power production facilities.

It was anticipated that the college bonds totaling \$1,661,000 would be issued early in fiscal year 1969.

## CONTROL OF PROCESSING OF WOOLEN YARD GOODS

The ad hoc hearing board, set up pursuant to section 504(a) of Title 33, Virgin Islands Code, to recommend to the Governor quotas to be established for woolen yard goods in the various classifications reconvened during fiscal 1968. Control was implemented over the processing of woven woolen yard goods by imposition of quotas to limit

the flow of such foreign material into the customs area of the United States. Controls are maintained by the imposition of a 1-cent-per-yard tax within established quotas and a 65-cent-per-yard tax on excess over the quotas.

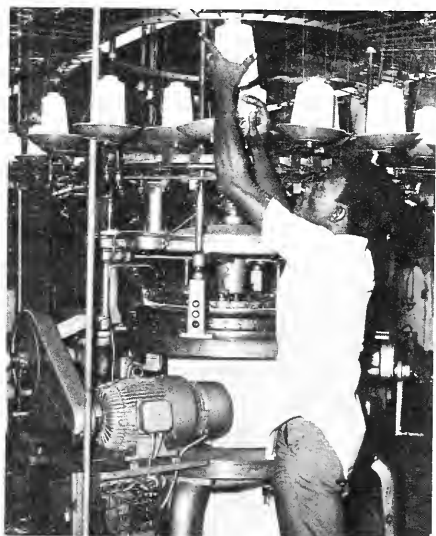
For the calendar year 1968, these quotas (less 10 percent required reserve) were assigned:

	<i>Linear yards</i>
Showerproof woolen cloth.....	2, 000, 000
Knitted, worsted, and/or woolen cloth.....	800, 000
Woven and/or dyed and/or finished woolen cloth.....	100, 000
Thermal laminated and adhe- sive bonded cloth.....	100, 000
Total .....	3, 000, 000

Unused portions of quotas allotted for calendar 1967 were carried over into 1968. Total yardage each company received by category follows:

### *Showerproof woolen cloth*

Total quota allowed this year..	2, 000, 000
Less 10 percent reserve.....	-200, 000
Net this year.....	1, 800, 000
1967 carryover.....	1, 175, 585
Total .....	2, 975, 585



Many Virgin Islanders are employed in woolen yard goods factories.

Company apportionment:

Vitex Manufacturing Co.,	
Ltd .....	1,312,083
1967 carryover.....	600,000
<hr/>	
Net this year.....	1,912,083
Kent Co., Inc.....	487,917
1967 carryover.....	575,585
<hr/>	
Total including carry-	
over .....	2,975,585

*Knitted worsted and/or woolen cloth*

Total quota allowed this year..	800,000
Less 10 percent reserve.....	-80,000
<hr/>	
Net this year.....	720,000
<hr/>	
1967 carryover.....	200,000
<hr/>	
Total including carry-	
over .....	920,000
<hr/>	

Company apportionment:

Buccaneer Mills, Inc....	720,000
1967 carryover.....	200,000
<hr/>	
Total including carry-	
over .....	920,000

*Woven and/or dyed and/or finished  
woolen cloth*

Total quota allowed this year..	100,000
Less 10 percent reserve.....	-10,000
<hr/>	

Net this year.....	90,000
1967 carryover.....	240,000
<hr/>	

Total including carry-	
over .....	330,000
<hr/>	

Company apportionment:

Amity International, Inc..	100,000
Less 10 percent carryover.	-10,000
<hr/>	

Net this year.....	90,000
1967 carryover.....	240,000
<hr/>	

Total including carry-	
over .....	330,000

*Thermal laminated and adhesive bonded  
woolen yard goods*

Total quota allowed this year..	100,000
Less 10 percent reserve.....	-10,000
<hr/>	

Net this year.....	90,000
<hr/>	

Company apportionment: un-	
assigned .....	90,000

# CONTROL OF MANUFACTURE OF WATCHES

The most significant development with respect to watch production in the period July 1, 1967 to June 30, 1968 were (1) the upholding of the Virgin Islands watch production tax law by the courts, and (2) the assumption by the Federal Government of the regulation of the watch industry in the territories subject to the special section 301 provisions of the Tariff Act.

Litigation commenced in late 1965 by several watch companies attacking the validity of the local law imposing quotas on their production, culminated with a decision in the spring of 1968 upholding the law. The U.S. Circuit Court of Appeals for the Third Circuit held that the law was not an illegal export tax, but an excise tax which the legislature could legitimately impose on the manufacture of watches for the purpose of discouraging overproduction. The Supreme Court refused to review the lower court's decision.

Even before the decision was announced, however, the Congress had enacted legislation, effective January 1, 1968, under the provisions of which regulation of watch production in the 301 areas (the Virgin Islands and Guam) was assumed at the Federal level, through the Departments of Interior and Commerce. Under regulations issued by these Federal departments, the local department of commerce continues to play an administrative role with respect to the watch industry since it controls the issuance of shipping permits to manufacturers

licensed under the terms of the Federal law.

Although a quota allocation system is still in effect, the methods of computation under the former local law and the present Federal statute are different. Under the former, the procedure used was to grant a temporary quota, an initial quota and an annual quota allocation. Under existing procedures, the initial allocation was based upon 50 percent of watch movements and parts assembled and shipped during the first 10 months of 1967. At the same time, any firm assembling less than 15,000 units for the calendar year would be ineligible for a quota in 1968.

The General Accounting Office audited watch manufacture operations in the Virgin Islands in late June. During the calendar year 1967, watch movements and parts were imported as follows: Japan, \$6,585,169; Hong Kong, \$1,277,938; West Germany, \$1,272,842; France, \$1,185,447; Soviet Union, \$678,717; and Switzerland, \$106,776.

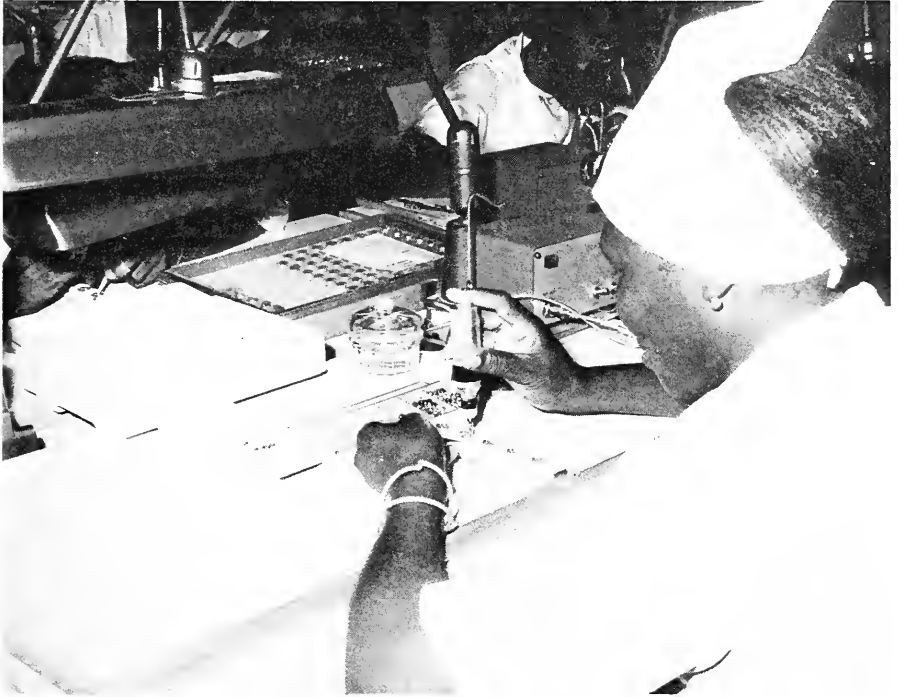
There are now 14 watch companies operating in the Virgin Islands, three on the island of St. Thomas, and 11 on St. Croix. Four of these companies have tax exemption. The 14 companies employ 800 persons and have a combined annual payroll of \$2,662,059.20. The quota for 1968 is 4,208,750 watch movements and parts. In fiscal 1968, 3,222,571 movements and parts were exported to the United States for an

approximate value of \$19,353,426. All quotas granted are subject to possible reduction or revocation.

A new regulation now in effect permits the sale or transfer of a quota provided prior approval of the secretaries of their delegates is secured, and provided the firm sold or transferred re-

mains in the business as a separate or distinct entity. During this period, two companies were sold.

The watch industry of the islands provides year-round employment for a majority of natives. A training program where employees are sent abroad is also in effect.



Close to 1,000 Virgin Islanders now work in watch assembly plants, a major industry in the Virgin Islands.

# OFFICE OF PUBLIC RELATIONS AND INFORMATION

Personnel: 15

Operating Appropriation: \$226,907

The office of public relations and information has, as its primary responsibility, the publicizing of the Virgin Islands on the U.S. mainland and in other countries. In addition, it functions as the public relations arm of the Office of the Governor and the departments within the executive branch.

News, feature articles, and photographs about the islands are prepared for release on the mainland through the government's public relations firm in New York and news, pictures, and information concerning the executive branch of the Virgin Islands government are released to local and mainland-based news media.

The office also provides assistance and information to visiting editors, writers, and photographers as well as to important visiting dignitaries from the United States and other countries. Assistance and counsel is given to the Governor's office in the preparation of reports, speeches and additional required information including the Governor's annual report to the Secretary of the Interior.

The mainland public relations firm, in addition to supervising the islands' public relations efforts, also serves the many Capitol Hill and Washington departmental needs of the Virgin Islands government.

During the fiscal year, the office was directly involved in planning for the National Governors' Conference, held

en route to and in the Virgin Islands in October. The director and members of his staff, supervised the communications arrangements aboard the SS *Independence*, which carried 43 Governors, their families and staffs to the islands, and assumed responsibility for the shipboard and on-islands press facilities for more than 160 national news media representatives. An after-action analysis of the publicity results of the conference, prepared by the mainland public relations firm showed more than 10,000 newspaper clippings received, plus favorable articles in most of the country's major magazines and extensive coverage of the conference and island activities over network TV and radio. Evidence of the success of the conference and the increased national awareness was clearly indicated in the sharp upsurge in inquiries received about the islands, and in active tourist arrivals.

Other major activities planned by the office included a Virgin Islands Day celebration in New York City, where Governor Paiewonsky presided over the changing of the name of Times Square to "Virgin Islands Square" for one day and participated in a concert, dedication reception, and gift exchange with the mayor of New York City.

The board of directors of "Discover America", a private organization whose members are executives of some of the country's leading corporations, and whose purpose is to promote travel in



the U.S.A., held their board meeting in the Virgin Islands in January. Three days of sightseeing and social events planned by the public relations office drew unanimous praise.

Over 452 news releases and 320 news photographs were distributed to the islands' news media and to off-islands individuals and agencies during the year. Major articles about the islands, prepared with the assistance of the office and the mainland public relations agency, appeared in the National Geographic, Ladies' Home Journal, Cosmopolitan, Time, Yachting, Holiday, Modern Bride, Mademoiselle, American Girl, and House Beautiful. Hundreds of syndicated articles appeared in papers subscribing to the National Edi-

torial Association, King Features, Associated Press, and United Press International.

Television featured the islands on NBC's "Today" show, and the "Wonderful World of Golf" and all the major radio networks carried islands features.

Many prominent and newsworthy persons visited the islands, including the daughter of President Johnson, Lynda Robb, who honeymooned on St. John and Secretary of the Interior, Stewart Udall.

The large volume of free promotional material and publicity published about the islands is reflected in the steadily increasing number of tourists who visit each year.

# OFFICE OF THE GOVERNMENT SECRETARY

Personnel: 44

Operating Appropriation: \$390,249

Major legislation affecting the insurance and banking industries, two areas of the office of the government secretary, was enacted during this fiscal year. On March 29, 1968, the Governor signed into law act No. 2126 related to insurance and act No. 2127 which updates the banking laws of the Virgin Islands.

The insurance act was drafted following meetings with the commissioner of insurance, the office of the attorney general, Equity Publishing Corp., and representatives of insurance companies doing business in the Virgin Islands. It is the opinion of the office of the attorney general that this is a comprehensive and practical statute which will regulate and foster the insurance industry, yet will protect policyholders and the public. It includes provisions for registration of nonresidents as brokers and agents, licensing of surplus line brokers and written examinations for those wishing to qualify as agents, brokers, solicitors, and adjusters. The new law also increases the rate of premium taxes by 2 percent.

Act 2127 provides for the first revision of the banking laws since 1949 and resulted from concerted efforts of the banking board of which the government secretary is the chairman in cooperation with the attorney general, Equity Publishing Corp., and the financial community. New chapters were added to regulate small loans and

pawnbrokers, to require disclosure of finance charges; savings and loan associations and mergers and consolidations. It also clearly defines the powers, and the duties of the banking board.

Another law affecting the office is act No. 2117 which exempts from recording fees and boundary attests all instruments of conveyance from or to the United States and the Virgin Island Governments. This solves questions which were frequently raised about fees and stamp taxes on documents involving individuals and the Federal or local governments.

Legislative action also transferred the board of tax review from the office of the government secretary to the department of property and procurement.

During this fiscal year, volume of documents recorded in St. Thomas decreased but the revenues increased as compared with the previous period. In St. Croix, both the number of documents recorded and revenues collected increased significantly. Passports, trademarks and patents, notary public commissions, alcohol control, and registration of trade names showed no increase over fiscal 1966-67. New corporations continued to be registered but, simultaneously, strict enforcement of corporate laws resulted in liquidation of many corporations. Primary reason was nonpayment of franchise taxes.

On April 1, 1968, the second 3-year reappraisal cycle of real property was

launched. The first cycle added more than 1,200 parcels of land and 600 improvements to the tax rolls.

An IBM key punch machine is now being installed in the tax assessor's office so that tax rolls will now be prepared in the government secretary's office rather than the department of finance. This change will solve problems of coordinating, and supervising this project.

As provided by the Organic Act, the government secretary served as Acting Governor of the Virgin Islands on numerous occasions during this fiscal year.

See appendix A for tables on: Assessments and taxes; insurance fees collected; rum produced; alcoholic beverages exported; denatured alcohol produced, and licenses issued and fees collected.

# DEPARTMENT OF EDUCATION

Personnel: 1,305

Operating Appropriation: \$8,673,002

The fiscal year 1967-68 saw significant progress in public education in the Virgin Islands highlighted by an 8.52-percent growth in enrollment, a 19-percent increase in operating budget, an impressive increase in construction of new schools and additional classrooms and, for the first time, adequate staffing in secondary schools except in industrial arts.

The increased budget made it possible to acquire needed textbooks and educational materials. In the area of special education, a contract was awarded for 16 mobile classrooms with two classroom units each to provide service to handicapped children. These mobile classrooms will be in operation when school starts this fall.

A critical shortage of elementary teachers still exists, making it necessary to employ nondegree people to fill many vacancies. The department has been successful in recruitment of qualified staff from off-island sources.

Salary schedules and the rising cost of living combined to create teacher unrest and, shortly before January 1, Virgin Island teachers became affiliated with the American Federation of Teachers. Bargaining sessions with this group started in early spring and continued through the school year, and these sessions did result in settlement of basic principles for contract agreements for the 1968-69 school year.

## *Curriculum and Instruction*

Several revisions in curriculum courses were instituted and the school

board approved a new trimester course, "introduction to business," which will be offered at the ninth-grade level to give students an overall view of business practices. The board also approved a change of course name from "business education" to "office occupations." This renamed course will cover bookkeeping, clerical, and stenographic.

Adult basic education, a federally supported program, continued to serve U.S. citizens and resident-alien with 2-hour sessions twice a week. The program is for illiterates and undereducated adults and offers reading, language arts, arithmetic, and English.

The adult education program provides training for adults from grades 9 through 12 and, following a high school equivalency test, a diploma is awarded each student.

A joint teacher-training program between NYU and the College of the Virgin Islands continued for the second year with practice teaching under the direction of three supervisors from NYU. This project assists in recruiting and training teachers who are residents of the Virgin Islands.

Separation of secondary schools into junior and senior high school levels and introduction of a new program at the lower level made it necessary to review the promotion policy of 1963. A committee composed of principals, assistant principals, and supervisors made this study and copies of proposed policy have been submitted to the com-

missioner for review. If acceptable, the new policy will be presented to the school board for approval.

This year also saw completion of an in-depth study of all courses with the objective of strengthening programs in each area. For the first time, the year was marked by provision of complete

physics, chemistry, biology, and general science labs in each senior high school.

From October 6 through November 10, 1967, the secondary schools served as training grounds for several Peace Corps members who participated in a 5-week practice teaching course.



Commissioner of Education crowns high school beauty queen as prelude to island-wide beauty pageant finals.

### *Pupil Personnel Services*

Pupil personnel specialists work closely with teachers in helping each student develop self-understanding, orientation to school and society, and ability to make realistic educational and career choices. Services are provided by one director, one guidance coordinator, one testing coordinator, three attendance coordinators, one social worker, and 16 guidance counselors.

Health services are an important element and, as of April 30, 1968, a total of 6,965 pupils had been seen by nurses. A total of 730 of these were referred to the emergency rooms of hospitals and clinic appointments made for 4,020. Increased demand for health services resulted in appointment of a full-time registered nurse to the Claude O. Markoe School in Frederiksted, St. Croix.

A school social worker was employed to provide services to the public schools on St. Croix and a total number of 78 cases were referred there and 18 on St. Thomas.

For the first time, guidance services were available at all three school levels—elementary, junior high, and senior high—although a personnel shortage limited services at the elementary level to four schools.

Attendance services were provided by two counselors in St. Croix and one serving St. Thomas and St. John. These counselors worked closely with the department of public safety and other community agencies.

During the period from June 1967 to January 1968, the specialists also administered high school equivalency tests to 461 applicants and awarded certificates to 86 who passed. Eight certificates were awarded to veterans.



Children perform a traditional maypole dance in the main square in Christiansted, St. Croix.

As in the past, the office of pupil personnel services continued to administer the territorial scholarship program and a total of 205 scholarships was approved by the board of education under this program. In addition, 16 special legislative grants were approved.

### *Vocational and Technical Education*

Under the administration of a new state director appointed by the commissioner of education and the leadership of the Virgin Islands Board for Vocational Education, vocational, technical, and industrial arts programs were offered in six schools. In the St. Thomas-St. John schools, a total of 558 students participated and the three St. Croix schools served 265 students, in courses in industrial arts including basic metals, architectural drafting, basic electricity, woodworking, needlecraft, and mechanical drawing. Programs of a vocational-technical nature included automotive mechanics, carpentry, electricity, masonry, plumbing, electronics, home economics, agriculture, business education, and hotel and restaurant training. A total of 1,682 students received training in all of the courses in the junior and senior high schools.

The division of vocational and technical education also administers programs under the Manpower Development and Training Act during the past fiscal year, the division launched several programs in cooperation with the Virgin Islands Employment Security Agency including courses in retail sales, office clerical, farm equipment operations, maintenance electrician and cosmetology, and 63 trainees participated. Most of these men and women were placed in jobs at the end of the training.

The division also worked on individual referral projects under the act which sent trainees to Puerto Rico and

the United States to be trained as X-ray technologists, orthopedic technicians, arc welders, refrigeration mechanics, autobody repairmen, and diesel mechanics.

Currently, the division is planning for manpower skilled centers for St. Thomas and St. Croix. These centers will house all manpower training programs on a full-time basis.

During the year ended June 30, 1968, the division also promoted and administered adult programs. In April of last year, 11 adults in St. Thomas received certificates for completion of a course in practical nursing education. A similar program was scheduled to start in St. Croix in July 1968. To meet demands for adult training, the division is starting a 6-week evening electronics program in St. Thomas and St. Croix and others will be planned in the future.

### *Division of Business*

Fiscal 1967-68 was a year of transition for the business division with the adoption of new budgetary controls and establishment of a per pupil budget. Both systems required mechanization based on a rented IBM 6400 accounting machine. Three employees were trained in programing, wiring the panels and operation of this machine and, as a result, all work flow charts, programing and system analysis can now be accomplished by personnel of this department.

### *Pupil Transportation*

During the year just ended, school buses transported a total of 3,594 students daily, an increase of more than 30 percent over the daily total for the previous year. Largest increase was in St. Croix where the number of students transported rose from a total of 2,257 to 2,758.

Opening of new schools in St. Thomas and in St. Croix also involved

extensive adjustment of schedules, increases in routes covered, and in number of buses required. In St. Croix, the opening of the new Central High School meant that transportation had to be provided for virtually the entire enrollment in upper secondary school grades on that island.

During the final quarter of the school year, uniformed attendants were placed on all buses to enforce observance of traffic regulations and to monitor student conduct.

### ***School Lunch Program***

Currently, the school lunch program is a million dollar operation involving 35 schools and serving more than 1,890,000 well-balanced lunches a year. This year, the school food service program employed 197 workers and an administrative staff of nine. Participation increased 9 percent with 85 percent of the students served compared to 75.6 percent during fiscal 1966-67.

This school year, the program served an average of 11,122 lunches daily, at no cost to the students. The program received a total of 97,960 pounds of federally donated frozen ground beef, roast beef, turkey and chicken and purchased food in the open market valued at more than \$200,000. Students served included those in private and public schools and in Headstart and Vista projects.

### ***Vocational Rehabilitation***

During this year, 265 persons were receiving services or were involved in the rehabilitation process while 55 persons were successfully rehabilitated. The Virgin Islands ranked eighth in national rank by State in number of rehabilitations per 100,000 population in 1967.

The division employs a director, two counselors, and a manager and supervisor of each of the sheltered workshops in St. Thomas and St. Croix. The work-

shop in St. Croix has 15 permanent trainees producing salable items and the St. Thomas workshop is providing evaluation and training for 12 handicapped people. Two trainees of this workshop were placed in jobs this year. Plans were also started for advanced stateside training for the supervisors of both workshops.

Rehabilitation clients continue to receive services at the Rehabilitation Center in Rio Piedras, Puerto Rico. Eight Virgin Islanders have been treated at the Woodrow Wilson Rehabilitation Center in Virginia and three youngsters at stateside colleges. One St. Thomas resident received special treatment in New York.

During the fiscal year, the department of health was asked for a vocational rehabilitation counselor to work in the clinic of the hospital and a cooperative agreement was made with the employment security agency and with the cooperative area manpower system program. The stateside comprehensive planning for vocational rehabilitation started a 2-year study of a plan to coordinate all resources to serve the handicapped. This study started in September 1967 and will be completed by June 1969.

There was a 75-percent Federal and 25-percent local funding ratio for major activities and Federal financing was, and continues to be, dependent on the local program's meeting planning and operational standards and demonstrating thoroughness and professionalism in its program. The division will continue to meet these standards and will emphasize training for the young mentally retarded and counseling and training of youthful offenders.

### ***Public Information Services***

A bureau of public information services financed under title V of the Elementary and Secondary Education Act was created during the fiscal year. This



bureau prepared approximately 500 news releases and 99 percent were published. It also created feature stories for leading newspapers and magazines on the mainland and launched an internal monthly publication, *Virgin Islands Schools*, for school personnel.

The bureau prepared radio and TV scripts and the director served as interviewer in a series of telecasts entitled "Your Dollars Invested—What Are Your Returns?"

During the Governors Conference in October 1967, the director assisted on public relations assignments and interviewed several Governors on educational issues. The Bureau also developed programs for the chief State school officers on their recent visit. The director also narrated a slide presentation successfully used by the director of personnel to recruit teachers.

### ***Bureau of Public Libraries***

Highlights of the year for the bureau of public libraries and museums included completion of plans for remodeling the Christiansted Public Library and approval of plans for remodeling the Frederiksted Public Library by the U.S. Office of Education.

These projects are part of the program of the Library Services and Construction Act (LSCA) which also covered services to the following institutions: Queen Louise and Corneiro Homes; hospitals; Richmond Penitentiary; insular training schools; youth care center and sheltered workshops. Under title IV-B; the St. Thomas Public Library was designated a regional library for service to the blind; and partially sighted and 70 talking book machines have been received. A collection of more than 170 titles on talking books is available, as well as 18 titles on magnetic tapes.

Other major events of the year included a memorial gift of 120 current best sellers presented by the family of

the late Henry "Chaffin" James and donation of books, filmstrips, films, and recordings valued at \$8,860 by the firm of Weston Woods.

The bureau completed work on a Catalog of Microfilm 1967 which was published in January 1968. This catalog lists documents dating from 1665 to 1967 available on film in the St. Thomas Public Library. This year, too, the St. Thomas Public Library was designated an official depository for selected government documents and its photo-duplication laboratory added new equipment. This laboratory prepared a filmed copy of vital statistics to the Washington office, streamlining the old manual transcript process.

### ***School Plant Facilities***

In June 1967 the office of school plant facilities was created, staffed by a director and a clerk and responsible for facilities and supervision of school maintenance.

During its first year, this office supervised completion of three major school construction projects—the Wayne Aspinall Junior High School in St. Thomas with 40 classrooms, the Central High School in St. Croix with 42 classrooms and the New Nisky addition of 12 classrooms, a library, kitchen and principal's office.

The office also took over a classroom construction program for the summer of 1967 which extended to the three islands. In St. Croix, vocation and industrial arts shops were converted into seven classrooms and two offices were built for guidance counselors. In St. John, a two-classroom building was added at Benjamin Franklin School and, in St. Thomas, a two-classroom building was constructed at Madison School. Two classrooms were also added to the Robert Harrick Elementary School and three to the Jane E. Tuitt Elementary School.

In addition to major construction projects, repairs and renovations were made to school buildings and grounds at most schools and plans are underway to fence all campuses to decrease vandalism. Due to the increase in the number of classrooms, the maintenance staffs in St. Thomas and St. Croix must be increased during the coming fiscal year and additional trucks provided for both islands.

### *Federal Aid Programs*

The department received a total of \$1,616,717 of grants-in-aid Federal funds during the year, but late funding delayed many programs and all were not fully operative until after January 1, 1968.

Largest single grant was \$333,743 under ESEA, title I for a 6-week summer program, "Learn To Like a Book." This program was implemented on all three islands and involved 1,275 pupils and 134 teachers. Results of this second summer program were good. Also, under ESEA, title I, the second phase of an audiolingual beginning reading project was continued and involved 18 first-grade teachers.

All funds allocated for ESEA title II were used to buy books and refer-

ence materials and this effort was augmented by using \$25,000 from NDEA title III funds.

Project Introspection, ESEA title III, became operative and equipment to develop the innovative materials prescribed in the grant was procured. For the handicapped, ESEA title VI-A and Public Law 85-926 funders were used for teacher-training institutes in special education and to hire consultants to inventory handicapped children and recommend realistic programs.

Funds for adult basic education were reduced but programs were continued with the addition of local funds in the amount of \$20,000. Funds received under title V, ESEA, were used for employment of a director of information services and a director of school plant facilities.

Project Headstart continued to serve approximately 500 children in both summer and school year programs and approximately 125 to 150 youths were enrolled in the In-School Neighborhood Youth Corps program.

See appendix B for tables on: School enrollment; comparison of high school graduates, and comparison of operating budget.

# COLLEGE OF THE VIRGIN ISLANDS

Personnel: Teaching Faculty: 45  
Administrative  
Faculty: 19  
Other Staff: 53

Operating Appropriations: \$1,300,000

Fall enrollment of full-time students at the college totaled 272 in 1967, a 19-percent increase over the previous year's enrollment. In addition, 1,145 part-time students were enrolled in the division of continuing education, an increase of 50 percent over the enrollment a year ago. The full-time equivalency is 600, up 30 percent over the preceding academic year.

Highlight of the year was the commencement ceremony on June 9, 1968, when the college granted associate in arts degrees to 41 students. An additional six students will receive degrees upon completion of nursing education requirements in August 1968. The commencement also saw New York University award 13 bachelor of science degrees in teacher education to Virgin Islands students under a cooperative program in which students complete 2 years at CVI, a third year at NYU, and the senior year at CVI under supervision of NYU faculty.

Plans have now been completed for expansion of the college to 4-year programs in liberal arts and teacher education. The liberal arts curriculum will offer majors in biology, chemistry, English, mathematics, Spanish, and the social sciences. The teacher education program will prepare teachers for elementary and secondary schools. The college will have its first juniors on campus in the fall of 1968 and grant its first baccalaureate degrees in June 1970.

The college will continue to offer seven 2-year programs leading to associate in arts degrees with courses in accounting, business administration, construction technology, executive secretarial studies, hotel and restaurant management, nursing, and police science and administration. The police science and administration program was started this year. In this program, the college works closely with the department of public safety to arrange class schedules for students in St. Thomas, St. Croix, and St. John.

Three significant academic conferences were held during the fiscal year. The first on "The Family in the Caribbean" attracted social science scholars from the mainland and Caribbean areas. "The Evolving Territorial Status of the Virgin Islands" was the subject of the second seminar conducted by Prof. Roy C. Macridis, first incumbent of the Morris P. deCastro chair in government at Brandies University. The third conference was devoted to aspects of marine archaeology in the Eastern Caribbean and was sponsored by the Caribbean Research Institute.

The institute, a division of the college, has expanded its activities to encourage research in the Caribbean area and to serve as a central research agency in the U.S. Virgin Islands serving the natural and social sciences and the humanities. The institute operates the ecological research station at



Students at the College of the Virgin Islands, in the school of hotel management, prepare dinner as a part of their training.

Lameshur Bay, St. John, which undertakes funded research on the marine or terrestrial problems of the islands. The institute is currently doing an extensive ecological survey of Anegada, a study of the interrelationships of the American and British Virgin Islands and a project in maritime history.

During the fiscal year, the college and the University of Connecticut received a grant of \$100,000 from the U.S. Office of Education. The grant will help underwrite an exchange of faculty and administrative personnel, assist in creating an undergraduate marine science program and strengthen existing program. The grant becomes effective during the 1968-69 academic year.

The college continued to administer several Federal agencies. The State technical services agency conducted projects to serve local business and

industry including, an evening program in landscape architecture, a counseling program for the printing industry and a workshop on ground-handling of aircraft. Community service projects provided under the college administrated title I of the Higher Education Act covered workshops and two publications on the alien worker and his family, a conference on juvenile delinquency, and seminars on comprehensive planning in the islands.

The Virgin Islands Extension Service, administered by the college and based in St. Croix, offered cattle producers and fruit and vegetable growers instruction on improved production. It also offers home extension services and 4-H activity.

Campus development was highlighted by virtual completion of new residence halls which will house 160

students, faculty housing, and apartments. The new library is scheduled for completion in November 1968 and plans are complete for the Nursing Education building, next major unit to be built under the college's master building plan. A contract has been let for final design of the Reichhold Cultural Center. In March 1968, 50.22 acres of land, adjoining the original St. Thomas campus and valued at \$429,000, was deeded to the college by the U.S. Department of Health, Education, and Welfare.

Currently, a study is being made on development of the St. Croix campus

at Golden Grove to permit expansion of programs there.

The college continued to attract outstanding artists and lecturers for programs which were free to the community as well as to students.

A recent report on alumni indicates the college's success in achieving the goals set for it at the Governor's Conference on Higher Education in 1961. Of the 84 graduates of 1965-67, 55 have completed their educations in 24 different 4-year schools and others are teaching or hold management and secretarial positions in government, business, and industry.

# DEPARTMENT OF HEALTH

Personnel: 1,459

Operating Appropriation: \$8,734,841

Reorganization and staffing of the department offered great challenges to the medical leadership of the islands during fiscal 1968. The department also responded to changes in preventive medicine and medical care with shifts in emphasis to keep the medical community abreast of international medical research and action.

The department's budget has grown tremendously during the past 6 years but demand for services has kept pace. Citizens of the Virgins Islands now properly consider maintenance of good health and treatment of diseases as rights, not privileges.

## *Comprehensive Health Planning*

The comprehensive health planning program of the Virgin Islands became a reality on April 1, 1968. Twelve days later, approval was received on the territorial project plan which had been submitted to the Department of Health, Education, and Welfare, region III.

In November 1967 the Governor appointed members of the program's council and two new members were named during the fiscal year just ended. Efforts are now underway to recruit personnel and secure consultants to study the total health status of the islands. These studies will determine planning priorities. In April the director attended a national meeting of directors of comprehensive health planning. During the year, the agency worked closely with the department of social welfare and the depart-

ment of labor in a planning meeting for the WIN project.

## *Bureau of Vital Records and Statistical Services*

The bureau performed the usual services of registration of vital events, the verification and certification of records, and the collection of reports of baptism, marriage, divorce, and adoption records.

The acting director enrolled in a graduate course in biostatistics at the University of North Carolina. Upon completion of this program, he will become bureau director.

Measures were also taken to improve efficiency. The 1967 data for the National Vital Statistics Division in Washington was microfilmed and plans made for all records of the Bureau to be microfilmed in the near future. Feasibility of using a punch card system was also studied and discussed with the deputy commissioner of health in charge of data processing at the department of finance. A trainee, vital records statistician, also received advanced training at the Data Processing Laboratory, Research Triangle Park, North Carolina.

## *Vital Statistics in the Virgin Islands*

Population of the Virgin Islands as of December 31, 1967, reached an estimated all-time high of 54,545, up 7.2 percent from a year earlier. This total included a population of 24,295 in St. Croix; 1,545 in St. John, and 28,705 in St. Thomas.

The calendar year also saw live births at a record level with 2,272 infants born, an increase of 316 over calendar 1966. Increases in number of live births and population resulted in a birth rate per 1,000 population of 41.7 in 1967 compared to 38.5 in 1966. Of the total number of live births registered in the Virgin Islands, 40.8 percent were to mothers born in the British West Indies and 36.8 percent were to fathers born in the British West Indies, down from the previous year's percentages of 49 percent and 44.5 percent, respectively.

The year 1967 was also marked by an increase in illegitimate births to a total of 1,060. Of this total, 723 or 68.2 percent were to British West Indian mothers and 594 or 56 percent to British West Indian fathers.

Number of deaths decreased in 1967, the second calendar year of a falling death rate. There were 373 deaths recorded with 164 in St. Croix; six in St. John, and 203 in St. Thomas or 15 less than in 1966. Of the total deaths recorded, 40 were persons whose usual place of residence was outside the Virgin Islands. The decrease in deaths and increase in population brought the death rate per 1,000 population down from 7.6 percent in 1966 to 6.8 percent in 1967.

Number of fetal deaths was steady in 1967 with a total of 72 compared with 71 for 1966. Of the total, 48 were to mothers born outside the Virgin Islands and 30 of these were British West Indians. Fetal death rate decreased from 36.3 in 1966 to 31.7 in 1967. The year 1967 saw 70 infant deaths recorded, up 10 over 1966 but the infant death rate increased just 0.1 percent per 1,000 live births during the year.

*(See Appendix C for table on vital statistics.)*

## *Division of Hospitals and Medical Services*

During fiscal 1968, more patients were cared for on all three islands than ever before. Only on St. Croix, however, was this increase matched by an adequate expansion of facilities.

The year was marked by a survey of needs on St. John and plans were drawn and money appropriated for an extensive modernization of the Cruz Bay out-patient clinics.

In St. Thomas, lack of space at Knud Hansen Memorial Hospital was a handicap. A new annex was started during the year and will house a pediatric ward. This modern ward will replace the old ward in the hospital which will free space for additional adult beds. An out-patient clinic will also be completed shortly.

During fiscal 1968, plans were blueprinted and funds allocated for a hospital expansion project including doubling the X-ray department, trebling the emergency room, additions to the operating room, expansion and modernization of obstetrics and the newborn area, remodeling of the psychiatric wing, and provision of a central service and modern fire exits in the wards.

In addition to hospital expansion, procedures in the general business offices were streamlined and collections increased substantially. Medicare and medicaid representatives provided great help to business offices on both islands on improvement in billing procedures.

During the fiscal period, the Joint Commission on Accreditation of Hospitals accredited Knud Hansen Memorial Hospital for 1 year. If the physical plant improvements now underway are completed, it seems probable the Commission will grant the hospital a 3-year accreditation period within the next 12 months.

A number of hospital construction projects were completed at the Charles Harwood Memorial Hospital in St. Croix during the fiscal year just ended. In December 1967 an enlarged, air-conditioned emergency room including four examining tables, spaces for a doctor's office, medicine storage, and a waiting room was completed. An extension of the pediatric service totaling 10 beds was also completed in late 1967.

On January 22 a new 30-bed addition was opened and a major remodeling and reequipping of the radiology department was started. This construction was completed later in the fiscal year. The year also saw expansion of office space for the nursing director and administrator. Near the end of the fiscal year, authority was given for construction of a prefabricated building for the storage of the 200-bed packaged

disaster hospital for St. Croix. This building is on the grounds of Charles Harwood Memorial Hospital and will be stocked with disaster supplies before the hurricane season.

In September 1967 a board-certified pathologist joined the staff which meant the hospital could offer surgical pathology, frozen sections and pap smear analysis and give improved training to personnel and closer supervision of laboratory services.

On April 5, 1968, the Joint Commission on Hospital Accreditation field representative toured the hospital and recommended a 3-year accreditation period.

Another highlight of the fiscal year was a training program for ambulance drivers and attendants directed by a staff physician. Recruitment of suitable personnel in this area is still a major problem.



Blood samples are taken in the islands' up-to-date hospital laboratory facilities.



## *Division of Public Health Services*

Total budget for this Division for fiscal 1968 was \$1,729,302. Local funds amounted to \$892,414; Federal grants accounted for \$487,122 and matching funds were \$349,755. New staff members added included a U.S. Public Health advisor from the National Communicable Disease Center, two cardiologists, an assistant director of public health nursing, a dental oral surgeon, and one clerk. Prior to fiscal 1968, the U.S. Public Health advisor assigned to Puerto Rico had also served the Virgin Islands.

Division staff members participated in several vital training programs during the year. Public health nurses attended a course in supervisory techniques and two seminars were held on tuberculosis control, one cosponsored by the local Tuberculosis Association. A physician and two nurses from the division attended a course on tuberculosis control at Battery Hospital, Rome, Ga., sponsored by the National Communicable Disease Center. Public health nurses completed a course in medical self-help. This course was given in St. Croix to airport employees and to nurses, policemen, and firemen in St. Thomas.

An active recruitment drive by public health nursing brought the total staff to 41 public health nurses, one practical nurse, and four nurses' aids. There were only six vacant positions at year's end. The year also was marked by revision of the policy and procedure manual for nurses and close cooperation with the College of the Virgin Islands in providing training for students in the nursing program.

Dental health services also completed successful training projects. An in-service training project for four dental assistants was proposed by the bureau and sponsored by the University of

Puerto Rico School of Dentistry. A special first aid training project for airport personnel was completed and the health educator of St. Croix participated in general health education programs.

The bureau's laboratories performed services to the veterinary medicine, hospitals, and sanitation service. A total of 47,115 tests were completed during fiscal 1968 compared to an estimated 35,000 the previous fiscal period. In-service training for technicians improved the level of performance.

The year also saw community-wide education programs on nutrition, creation of a diet manual for institutions, and patient counseling in diabetic, cardiac, and prenatal clinics.

The bureau administers programs on venereal disease, heart, cancer, tuberculosis immunization and control, diabetes testing, and immunization for other diseases. During the year, venereal disease increased and control measures are now being developed on an interisland basis. The program for eliminating tuberculosis progressed with completion of an analysis of the tuberculosis registry and evaluation of all patients on the registry. The diabetes detection drive resulted in screening of 1,389 persons with 442 diagnosed as positive. Clinics were increased to twice weekly due to the number of diabetic patients.

Immunization clinics which now provide services in all districts of the Virgin Islands administered a total of 49,670 during fiscal 1968. These included immunization for diphtheria, pertussis, tetanus, poliomyelitis, smallpox, and measles.

During the year, the home care services were certified as the official agency for home health services and, at year's end, 112 people were receiving care.

## *Bureau of Environmental Health*

The percentage of properties connected to sewers in all three towns increased during the year. In Charlotte Amalie, 68 percent were connected; Christiansted, 82 percent, and Frederiksted, 97 percent. The bureau continued to study the water supply with nine samples collected weekly for bacteriological analysis from the potable water systems of St. Thomas and St. Croix. Results showed that all water supply systems should be constantly chlorinated.

Continuing inspections were also made of abattoirs, pasteurization plants, dairy farms and 303 food-handling establishments in St. Thomas, 33 in St. John, and 125 in St. Croix.

The bureau provided regular pest control services during the year with space spraying to control sandflies and

mosquitoes in the towns of Charlotte Amalie, Christiansted, Frederiksted, and at the St. Croix Airport, and Magens Bay, St. Thomas.

On February 28, 1968, the Secretary of Interior approved the Virgin Islands water quality standards, making the islands the 21st standard approved and, by year's end, only 38 State standards had been approved.

A 6-year, \$18 million program to solve water pollution problems was advanced with a contract for final plans for the Bethlehem Gut & Diamond Distillery Interceptors and the Krause Lagoon Treatment Plant.

In March 1968 the bureau negotiated a contract with Engineering Sciences, Inc., Arcadia Calif., for a feasibility study and cost estimates on possible reclamation and reuse of waste water.



**ANTICARIES**—Leon Reovan displays a beautiful set of teeth as he sits in the dentist's chair at Lockhart Elementary School, St. Thomas, where 300 pupils received self-applied topical fluoride instruction and treatment.

## *Division of Mental Health*

The Virgin Islands mental health program directed its work in its 19th year toward innovation which had been part of its master plan. A dramatic effort launched in the past fiscal year was a community education program featuring radio and television shows. The division's publication filled a kit titled "Patterns of Mental Health" and work was started on a film called "The Following Sea" which will be completed early in fiscal 1969.

In a drive to give leaders in the community who are close to the people greater insight into mental health concepts, the division conducted an in-depth training program with the local ministerial association. An experienced clinical psychologist met with the ministers for 4 months to help them counsel parishioners. The division plans to continue this program and launch similar projects with other professional groups.

Another significant project of the year was in art therapy. Fifteen emotionally disturbed children met with an art therapist 4 days a week.

In August 1967 a day-care program was started to give followup service to mental patients discharged from the hospital. The group meets three times a week with an occupational-therapist and some former patients have been placed in jobs.

During the year, the division experimented with the use of volunteer help and plans were made to expand this program to reach a larger number of children. The staff also participated in in-service training for teachers, hospital nurses, and students.

Special emphasis was placed on mental retardation. Twelve retarded students were seen for 3 hours a day in ideal environment and, at the end of this year, many had shown marked improvement in socialization, verbalization,

muscular coordination, and even in IQ. In the diagnostic center, 22 children went through a rigid diagnostic process followed by conferences.

Planning for the future was an integral part of the year's work and the staff worked on plans for new mental health facilities in the proposed health centers. In addition, plans were drafted in line with the Federal-State partnership for three areas to be stressed in fiscal 1969—social-emotional problems of youth, alcoholism, and alternatives to hospital care.

In the area of community development, the division gave full support to the Governor's Commission for Human Resources with its executive director acting as secretary to the commission. The commission has become a forum for an exchange of ideas among the policymakers and, in many instances, topics examined by the commission have been taken over by individual government and volunteer agencies. These agencies have then moved toward solutions of the problems.

Both in St. Thomas and St. Croix, the division supported the local mental health association. Courts of the Virgin Islands continued to seek the aid of the professional staff and the year saw an increase in referrals of persons who had committed crimes of violence.

The year also saw the division closely allied with the programs of comprehensive health planning, vocational rehabilitation planning, Alcoholics Anonymous, Al-Anon, drug control and interagency case conferences and in providing leadership to other Caribbean islands.

## *Bureau of Health Insurance and Medical Assistance*

This bureau was organized in 1966 to administer the Federal medicaid

and medicare programs. During the past year, the bureau's health insurance program completed a resurvey of two hospital providers in St. Croix, a resurvey of a home health agency under the division of public health and a resurvey of an independent laboratory in St. Thomas and started a survey of medical facilities in St. Thomas and St. John. These tasks were undertaken to determine if medical facilities meet conditions of participation set by the Secretary of Health, Education, and Welfare. All resurveys indicated continued compliance with these standards.

A major achievement of the year was the improvement in the relationship between the insurance company that acts as the intermediary for payment of hospital charges and the carrier for payment of physicians claims and the hospitals and doctors who provided service.

The general goal of the medicaid program is a single health care program for all indigent eligible persons. Coordination within the department of health and with the department of social welfare which is responsible for determining eligibility and with other health and community agencies is vital to reach the goal. Coordination is improving but, at year's end, hospitals were still submitting bills for May 1968 for validation. Therefore, no final fiscal report could be made. However, during the first 6 months of the year, approximately 38,000 recipients received approximately \$426,584 worth of services.

### *Division of Maternal and Child Health and Crippled Children Service*

During the fiscal year, this division served the mothers and children of the islands with health care of an improved quality.

A highlight of the year was the addition of family planning services to our maternity care program. Clinics are now being held twice a month in St. Thomas and twice a month in St. Croix.

With support of the children and youth project resources, additional well-child conferences have been scheduled in the district health centers and a weekly pediatric clinic and a monthly well-child conference were added for the economically disadvantaged community of Profit in St. Croix. Daily followup clinics were established in both St. Croix and St. Thomas and one weekly followup clinic was started in the Pearson Gardens housing project.

School health services were strengthened this year by assigning two teams on each island to do health screening, by developing bureau followup teams and by a system of referral and communication between screening and followup teams. During the year, the rate of completed followup services for children screened in the well-child conferences, the Headstart program and in the schools as well as for children referred by other agencies reached an all-time high.

Dental health services conducted the most effective attack in history against one of the greatest public health problems of the children of these islands. Using two mobile dental clinics purchased with MCH and CC funds and manned by three dentists and one hygienist from the C and Y project, services were provided to children of pre-school age, to first and second graders and to underprivileged youngsters.

The crippled children service's registry of children with handicaps has grown. Using local hospitals and facilities in the United States, children confined to wheelchairs have become ambulatory, heart surgery has prolonged

lifespans and epileptics have been integrated into the mainstream.

A director of nursing was selected during the past year and has organized nursing services for mothers and children to supplement the public health nursing staff. A school health coordinator was also named to coordinate services within the department and to work with the department of education, parochial and private schools for use of these services.

Other highlights of the year included development of regulations for implementation of the school health law, action with vocational rehabilitation to use funds of both agencies for health services to older children in the rehabilitation centers on the mainland, and action to increase community awareness and mobilize community resources.

### *Children and Youth Project*

The children and youth project was first funded March 1, 1967, and was just 16 months old at the close of this fiscal year. These months were spent in recruitment of staff and ordering of office and clinic equipment including mobile units for St. Thomas and St. Croix in medical, dental, and speech and hearing. Quarters have been renovated in St. Thomas and work will begin soon on similar quarters in St. Croix.

Services have been on a limited scale but in St. Croix, because of more successful recruitment, the concept of service on a comprehensive basis is in effect. In general, children known to the project are receiving the full service required for good health and those who cannot be treated here are sent off-island for help. The year also saw expansion of the project to bring more services to low-income areas.

To date, almost 4,000 children and adolescents of low-income families have been registered with the project and

more than one-third of this number have received complete physical examinations. The project has also seen 140 children with diet problems and counseling has been given, particularly on problems of obesity among adolescents. In the field of nutrition, training has been given to VISTA kitchen employees, meetings have been held for foster parents, PTA's, Girl Scout groups, school health personnel and the nursing association.

Physical therapy equipment is still limited but some home care was given to children during the year and the speech and hearing service was expanded to help parents recognize difficulties in their children.

### *Boards and Commissions*

The board of medical commissioners met four times during fiscal 1968 and local board examinations were given in June 1968 to 12 physicians. Temporary licenses were recommended for 51 physicians employed by the government of the Virgin Islands during the year.

The board of dental examiners also met four times during the year acting on 72 requests for application forms and information, with 27 applicants completing applications, 25 taking the examination, nine passing, three failing, one repeating the board, and one repeating and passing. At year's end, 13 applicants were awaiting results of their examinations. The written portion is graded by the Council of the National Board of Dental Examiners of the American Dental Association and council cooperation was excellent.

### *Board of Nurses Registration and Nursing Education*

The board met five times during the year and work included a review of drafts of the State board tests pool examination. Also, during the year, two licensing examinations were given

and 41 licenses issued to registered nurses and 30 to practical nurses. Seventy-one applications were processed and renewal registrations were issued.

### *Board of Pharmacy*

Two additional members were named to the board by the Governor during the year and, at the initial meeting of the five-man board, new officers were elected. Six candidates

were examined in June 1967 and results received this fiscal year. Three of the six passed and were licensed. In November 1967 four candidates were tested and two passed and were subsequently registered. In June 1968 one of the failing candidates was reexamined but failed to pass. In accordance with the Virgin Islands Code, the board requested the commissioner of health to issue one temporary license during the year.

# DEPARTMENT OF SOCIAL WELFARE

Personnel: 349

Operating Appropriation: \$2,520,086

In fiscal 1968, the department of social welfare made significant progress in improving existing programs and developing new programs to meet the changing demands for a broad range of social services and financial assistance to individuals and families throughout the islands. At the division level, progress was reported in several years.

The division of family services administered programs of financial assistance in all Federal categories and

handled locally funded emergency and general aid grants. It also operated the medicaid program under title XIX, Social Security Act and special work and training projects under title V of the Economic Opportunity Act.

The child welfare division stressed improved foster family care with a new foster care unit directed by a district supervisor. An additional government-operated day care center on St. Thomas was opened serving 35 children. Highlights of the year for the division of



Children at one of the islands' day care centers enjoy recreational activities.



Aspects of love and care in a typical foster family home in St. Thomas.

aging and special programs was the opening of the new Queen Louise Home for the Aged on St. Thomas and initiation of a homemaker program for the aged.

The department's programs of summer employments and scholarship grants for graduate study have been successful in providing an increasing number of trained workers, and the department, the Governor and the legislature have worked together to secure more equitable Federal participation in the Virgin Island public assistance program.

#### *Division of Family Services*

During the fiscal year there was an increase of 542 in the total number of persons aided and expenditures increased by \$151,742 to a total of \$844,506. Most of this increase was used for aid to dependent children. For the year, the average payment to persons being helped was \$32.11. The division was able to close 312 cases during the year and 305 were opened.

Social Security Amendments of 1967 raised the ceiling of Federal financial participation in the Virgin Islands public assistance program annually from \$330,000 in 1967 to \$425,000 in 1968; \$500,000 in 1969; \$600,000 in 1970; \$700,000 in 1971 and \$800,000 in 1972 and thereafter. This additional aid will improve participation in administrative costs only as the lower individual maximums in the territories contained in the 1965 amendments have been retained. Special limitations impose serious privation upon the islands and retard our efforts to provide grants at the maximum subsistence level.

#### *Division of Child Welfare*

Almost 3,000 children received help from the division in fiscal 1968 including casework services, foster family and institutional care, training school programs, day care, special services and cooperative court services including adoption and probation services.

Services were provided for 988 children in St. Croix; 1,193 children in St.



Thomas for a total of 21,181 during the year, a substantial increase over the previous year's total of 1,641. In addition, cooperative and special services were provided to 741 children during fiscal 1968.

### *Division of Aging and Special Programs*

Facilities operated by this division assisted 330 older people during the year. A total of 170 men and women were cared for in the two residential and nursing facilities, Queen Louise

Home for the Aged on St. Thomas and the Herbert Grigg Home for the Aged on St. Croix. Shelter care was provided for 56 citizens in the Corneiro Home on St. Thomas and the Aldersville Home in St. Croix.

The division also launched a homemaker service for the aged to provide housekeeping services, personal care and grooming and assistance on shopping and meal preparation to the aged in their own homes. Although the program has only two homemakers, plans



Governor Paiewonsky visits with a resident of the Herbert Grigg Home for the Aged. Islands have a comprehensive program for their senior citizens.

are underway to expand this vital service during the coming year.

Other special programs operated by the division include the sewing project on St. John which produces garments for residents of the homes for the aged and uniforms for children from needy families and followup casework to residents returning from St. Elizabeths Hospital in Washington, D.C. There were three returnee patients during the past year. The cancer program pro-

vides for referral to the Dr. I. Gonzalez Martinez Hospital in Puerto Rico and at year's end, 66 persons were receiving care under this program. The division also provides a burial program for indigents.

During fiscal 1968, the division distributed more than 1 million pounds of food through the surplus commodities distribution program of the U.S. Department of Agriculture.

## DEPARTMENT OF COMMERCE

Personnel: 96

Operating Appropriations: \$1,615,981

The department of commerce is a major force in economic growth in the Virgin Islands through its principal divisions of visitors bureau, trade and industry, and division of marine. The year saw strong economic gains with tourism, the islands' No. 1 industry, reaching recordbreaking totals. More than 813,000 tourists visited the Virgin Islands, a 25-percent increase over the 1966-67 total of approximately 639,000. Airline and cruise ship traffic in all three major islands made significant gains.

Other offices of the department which do not have division status contributed to the year's achievements. These are the Virgin Islands Rum Council, on-island public relations, fishing and water sports promotion, beautification council, industrial incentive board, and three off-island centers.

The commissioner serves on the watch quota and woolen yard goods committees and the water and power authority and, during the past fiscal year, was executive director of the



Yacht Haven, St. Thomas. In the background is the famous port of Charlotte Amalie.

Virgin Islands aspect of the highly successful Governors' Conference for 1967.

The department promoted the Virgin Islands at key meetings during the year including conventions of the American Society of Travel Agents, National Association of Travel Organizations, Association of State Planning & Development Agencies, and others. Currently, plans are being made for preconvention and postconvention tours of the Virgin Islands in connection with the 1968 annual convention of the American Society of Travel Agents in San Juan.

### *On-Island Public Relations*

Work for this division increased sharply with a record number of visits by influence leaders including travel agents, travel and feature writers, reporters, public relations men, and advertisers. These important guests received information, introductions, and guidance. The division also provided services to visiting dignitaries of new Asian and African nations and to their State department hosts.

During the fiscal year, both staff and space in the head office in Charlotte Amalie and the visitors bureau in Christiansted were expanded.

### *Visitors Bureau*

Cruise ship visits to the Virgin Islands increased substantially during fiscal 1968 with calls at St. Croix increasing from 28 last year to 40 this year and those at St. Thomas from 268 to 301. Cruise ship passengers visiting St. Croix increased almost 100 percent—jumping from 7,848 in 1966–67 to 15,782 in 1967–68. Cruise ship passengers visiting St. Thomas showed a significant increase from 115,058 the past fiscal year to 149,599 for fiscal 1968. During the year, there were five maiden voyages to each island and to mark each voyage, ceremonies were

held aboard and gold plaques were presented.

Air tourism also made impressive gains with approximately 132,000 more arrivals recorded this year than during the last fiscal year. St. Thomas and St. John showed an increase from 400,475 during 1966–67 to 481,437 in 1967–68 and St. Croix tourist arrivals were up from 115,820 to 166,700.

Dramatic growth was recorded by Antilles Airboats which carried more than 100,000 passengers in 1967–68.

Fiscal 1968–69 should see new records in air tourism with additional air service by Pan American Airways and the possibility of services by other carriers.

During fiscal 1968, the assistant commissioner made three important solicitation trips. One trip was designed to further increase cruise ship business and is expected to produce 60 more cruise ship calls to Frederiksted in the coming year, an increase of more than 50 percent. The newly appointed assistant commissioner for St. Croix participated in this trip.

The department initiated action resulting in clarification of a customs ruling whereby many foreign-flag vessels are now planning to remain in the Virgin Islands for more than 24 hours; a big factor in stimulating cruise ship traffic for the coming year.

### *Virgin Islands Information Center, New York*

For fiscal 1968, the center handled a total of 90,549 inquiries, an increase of 9,500 over the previous year and distributed 560,000 pieces of literature, more than 218 ahead of the preceding period. The year was also marked by appointment of a convention and group travel representative assigned to the center staff.

Special events in which the center staff played major roles were the Governor's Conference and Virgin Islands



Ships of all kinds fill the harbor at Yacht Haven in St. Thomas where luxury cruise liners mingle with freighters from far distant ports and pleasure craft of every description.

Week in New York. The Governors and members of their parties were entertained at a "send-off" party in New York and personnel from the center manned information booths aboard ship and assisted with press relations on both the out-bound and in-bound voyages.

#### *Virgin Islands Information Center— Washington*

New emphasis was placed on attracting group tours, small conventions and preconvention and postconvention trips during the year and the Washington office cooperated closely with the New York Center, the San Juan

Convention Bureau, travel consultants and travel agents. As a result, 14 meetings have already been scheduled for the coming year.

### *Fishing and Water Sports Promotion*

This office promoted the U.S. Virgin Islands as a water sports center through stateside advertising and publicity and cooperated with local diving, fishing, and yachting groups in attracting national and international conventions and competitions.

The office sponsored the V.I. Game Fishing Club team's trip to the International Light Tackle Tournament Association meet in Acapulco, Mexico, and, as a result, the 1969 ILTTA tournament will be held in the Virgin Islands. Another highlight of the year was the annual Underwater Society of America convention held in St. Thomas and attended by 400 members

including internationally famous ocean scientists, archeologists, and engineers.

Two new marine concerns established operations in the Virgin Islands during the fiscal year just ended. Both firms worked closely with the water sports office.

### *Division of Trade and Industry*

All economic indicators in the Virgin Islands showed significant gains during fiscal 1968, marking the seventh consecutive year of expansion. New records were set in tourism, manufacturing and sales, bank debits, income, employment and living standards, electrical energy consumption, gasoline sales and in the value of imports and exports over the previous fiscal year.

Total imports during the calendar year 1967 were valued at \$172,100,000 up \$34,400,000 or 25 percent from the year 1966. A total of \$103 million rep-



Pleasure craft of all types drop anchor in the placid waters off St. John. St. Thomas is in the background.

resented imports from the United States and the balance from foreign countries. Exports increased 32 percent, from \$56,200,000 in calendar 1966 to \$74,500,000 in 1967.

The department joined others in protesting an increase in freight rates asked by two steamship companies in an action before the Federal Maritime Commission. This successful action saved the Virgin Islands an estimated \$500,000 since higher freight rates would have been reflected in higher prices on automobiles, trucks, steel, steel tanks, paper products, and other items.

The watch movements and parts industry also contributed to the economic vigor of the islands with exports valued at \$19,353,000. Currently, there are 14 watch assembly plants operating in the Virgin Islands. These plants employ

approximately 800 workers and have annual payrolls of \$2,662,059.

Promotional activity for trade and industry was accelerated in fiscal 1968 and a total of 105 conferences were held with prospective business investors. Twelve new businesses started operations during the year and only seven discontinued. During the period, approximately 2,000 letters were answered and 10,000 pieces of literature were distributed.

### *Virgin Islands Rum Council*

Total rum sales were up 20 percent in 1967, four times the growth shown by total liquor sales. Although figures on total shipments of Virgin Islands rums to the United States during fiscal 1967-68 have not been compiled, there is clear evidence that totals will exceed 1966-67 records by a considerable margin.



Scuba diver enjoys the spectacular underwater world at Buck Island reef, St. Croix.

## *Virgin Islands Beautification Council*

The beautification program completed five major planting projects during the year. The coordinated program to remove junked cars proceeded, an effective educational program involving poster, poetry, and scrapbook contests was conducted, educational films were distributed and work was started on forming garden clubs in high schools and junior high schools.

Preliminary work was completed on an antilitter drive to be launched in the fall of 1968 with evidence of wide community interest. Women volunteers are being recruited to assist with the plant nursery and summer students will be trained by these volunteers.

## *Marine Division*

Total gross income for the marine division for the fiscal year ended June 30, 1968, was \$472,047, up \$4,626 from the total for the comparable period a year ago. The harbor service of all three islands was greatly improved by the addition of vital personnel and equipment.

The division launched a successful court action to collect past due mooring fees and a regulation has been estab-

lished to prevent a vessel from using public mooring facilities more than once if the mooring fee is not paid.

## *Industrial Incentive Board*

The dynamic growth of the economy of the Virgin Islands during fiscal 1968 was paralleled by increased activity within the industrial incentive board.

The industrial incentive program was broadened under act, No. 2062 to include commercial buildings and condominiums as subjects of tax exemption and the financial qualification in the housing project category was lowered from \$100,000 to \$75,000. The program was further clarified by several legal rulings handed down during the year.

See appendix D for tables on—

Comparison of Tourist  
Expenditures.

Comparison of air traffic  
passengers.

Comparison of cruise ship  
passengers.

Distribution of wages and  
employment.

Tax exempt business subsidy  
payments.

Watch movements and parts  
shipments.



# DEPARTMENT OF AGRICULTURE

Personnel: 221 Full time  
71 Part time

Operating Appropriation: \$1,951,657

The fiscal year 1968 was marked by changes in the agricultural picture of the Virgin Islands and in the department's programs. The year also saw strengthening of the department through increasing and filling of vacancies in the professional staff and the further development of a high degree of communication and understanding between the farmers and the government.

New activities were added including the grain sorghum program and the tick eradication program. The sorghum grain project is part of a search for a practical crop for St. Croix and the tick programs was undertaken to meet an emergency after the dangerous parasite was discovered on a farm at the western end of St. Croix. Combined efforts of the department, the U.S. Department of Agriculture, the U.S. Air Force, and the responsiveness of the seventh Legislature of the Virgin Islands were successful in controlling the tick situation. By the end of fiscal 1968, approximately \$250,000 in local funds had been spent on the tick eradication program.

## *Grain Sorghum Program*

Concept of this program originated with the department in its search for a crop which could be extensively produced, consumed, or distributed in St. Croix with a minimum of management and marketing problems. The crop must also be capable of mechanized production. Sorghum grain was

selected to meet these standards. Late arrival of a mechanical planter delayed the first planting but, at the close of the fiscal year, more than 150 acres of grain sorghum of different varieties were being tested.

This grain can be adapted to the feeding of different species of livestock and, if it can be produced successfully, it can lower production costs on St. Croix's livestock farms. It is also adaptable to many soil and weather conditions which means that hundreds of idle acres could become productive.

## *Soil and Water Conservation Program*

This program is administered by the board of supervisors, the Virgin Islands Soil and Water Conservation Division, and the U.S. Soil and Water Conservation District and has been highlighted by many successful meetings sponsored at the College of the Virgin Islands.

Under the unified agricultural conservation program for the Virgin Islands, the following practices were carried out during the year: brush control, 2,351 acres; farm pond construction, 14; irrigation pipelines, 1,734 feet; pasture planting, 80 acres; troughs or tanks, three tanks; subsoiling, 400 acres; farm pond renovating, nine ponds; land clearing, 403 acres; pipeline or livestock, 6,300 feet, and wells, 11.

## *Marketing*

The department's marketing service was active in distributing both crops

and livestock. The discovery of the African bont tick on some St. Croix livestock farms led the U.S. Department of Agriculture to recommend depopulation of these farms and, with little leadtime, the marketing service distributed 362 heads of cattle or 28,960 pounds of beef and 205 heads of sheep or 7,544 pounds in St. Thomas and St. Croix.

Crops distributed included tomato, pepper, pineapple, cucumber, okra, eggplant, mango, pumpkin, and bananas. Indications are that the marketing service will have a modern center ready for activities in the fall of 1968.

### *Abattoirs*

Almost 6,000 head of livestock were slaughtered in the St. Croix and St. Thomas abattoirs during the fiscal year just ended. The St. Croix abattoir will

soon be operating under Federal inspection having met the high standards needed to qualify.

### *Land Preparation Service*

Approximately 1,380 hours of plowing, harrowing, banking, and bulldozing were provided by this service at approximately one-third the usual cost during fiscal year 1968.

### *Other Services*

Citizens of the islands received other important services during the fiscal year. Forage choppers served livestock farmers with 21,000 tons of green chopped feed; 14,646 gallons of molasses were procured for livestock farmers and both products were made available at 50 percent of the market price. During this period, 285.7 tons of emergency livestock grains were also distributed on the 50 percent sub-



Under an intensified agricultural program on St. Croix, new crops are being grown to replace the phased-out sugarcane industry.

sidy program. More than 10,000 dwarf coconut seedlings were brought in and made available to citizens at cost and 48 sows were bred by the boars of our program and the baby pigs were sold to farmers to upgrade herds.

### *Division of Veterinary Service*

Because fiscal 1968 was a period of dry weather, and because of disease preventive measures and strict regulation of importation of animals, the Virgin Islands have again been declared a certified free area by the U.S. Department of Agriculture for bovine and porcine brucellosis, tuberculosis, and scrapie of sheep.

This status is maintained through testing of blood samples from both abattoirs and by collection of milk samples from both dairy herds every

3 months and critical test and by annual testing for brucellosis and tuberculosis.

Only animals from certified free herds may be imported and no unprocessed meats can be brought into the Virgin Islands. Two large shipments from Denmark were confiscated and incinerated during the year to prevent introduction of foot-and-mouth disease.

The bont tick was found in a small area around Frederiksted and the veterinary division has assisted in eradicating this parasite. Work is, however, directed by the Animal Health Division of the USDA. Owners have benefited from the routine dippings since cases of anaplasmosis and piroplasmosis, both tick-borne diseases, have been reduced to practically zero.

Cases of hog cholera have also



Teenage volunteers help with the care and distribution of tropical plants as a part of the islands' beautification program.

reached a new low since the Virgin Islands have complied with recommendations by eliminating use of vaccine and by attempts to eliminate garbage feeding of hogs. Abattoirs on both St. Thomas and St. Croix have found increasing numbers of cases of kidney worms in swine. There is no treatment for this disease so owners have been advised to move pens to drained areas.

Incidence of other parasites remain low and the islands remain free of rabies. Artificial insemination of cattle was carried on by owners although the department bore a small part of the expenses for this program. More funds will be available through USDA in the future for this aspect of modern cattle production. Exportation of animals was low since increasing numbers are slaughtered for local consumption.

### *Bureau of Recreation and Sports Promotion*

Bureau programs covered more activities and served more participants this fiscal year than ever before. The bureau was reorganized and specific duties were decentralized which was a successful change.

During the past fiscal year, the bureau gave financial aid to the basketball federation for travel expenses to Trinidad; to the softball federation for travel to Santo Domingo; to the Virgin Islanders' tennis competitors for travel to Puerto Rico and to the Crickett Association for expenses for a visiting team from Barbados.

Activities directly sponsored by the bureau in interisland championship series were biddy and junior basket-



Public bathing facilities like this one at Sandy Point in St. Croix are provided for islanders' enjoyment by the local department of recreation.

ball; class A and double A baseball; track and field; crosscountry; table games and Virgin Islanders and Puerto Rico professional annual series. The program was expanded for childrens' recreational programs, arts and crafts, dance and music festival and PAL softball. Clinics were conducted in tennis, volleyball, arts and crafts, baseball, and basketball.

# DEPARTMENT OF LABOR

Personnel: 72

Operating Appropriations: \$623,510.59

Development, consolidation, and strengthening of programs characterized fiscal 1967-68 for the department of labor and highlights included a survey by Nelson Bortz, former Director, Bureau of Labor Standards, U.S. Department of Labor, and appropriations making it possible to add a labor economist to the staff.

Close cooperation with the College of the Virgin Islands enabled both the St. Croix and St. Thomas professional staffs to take advantage of a full-semester course in economics of labor. In addition, regional U.S. labor officials conducted seminars in St. Croix on Federal law and procedures.

Currently, a 5-year plan for improving the department is being prepared and includes recommendation for improved office quarters in St. Croix, reorganization of the staff with a deputy commissioner assigned to the division of labor relations in St. Croix, division status for statistical and accounting and staff training including study leaves of 1 year.

## *Division of Labor*

During fiscal 1967-68, payroll inspections totaled 2,101, an increase of 465 over the preceding period. These inspections showed that a total of 22,502 employees worked in businesses covered and that back pay due and paid amounted to \$14,077. The increase in inspections was one indicator of a rise in activity in all areas of the division—fair labor standards and

labor relations. More sophisticated inspection procedures and records now insure more accurate statistics and greater service to business and to labor.

Fifteen certifications to labor organizations were issued during fiscal 1968. This number does not, however, accurately reflect union activity during the period, since a number of applications are made to and certifications issued by the regional office of the National Labor Relations Board in San Juan which has jurisdiction in cases where employers meet interstate commerce standards.

## *Unfair Labor Practice Cases*

The year was marked by a decline in filing of unfair labor practice charges, a sign of improvement in labor-management relations. Only 15 charges were filed and all were resolved informally.

Complaints filed under the resident workers statute were also fewer than the previous year. Under the alien certification provisions of the Virgin Islands Code, the department investigates each application for alien labor and can withhold certification where resident labor is available. Department records show that the majority of non-resident employees are in the low-income, unskilled classifications, many in construction. The majority of white-collar jobs are held by residents which accounts for the small number of charges under the replacement of non-resident provisions of the statute.

For the first time in the history of the department, a question of discrimination in employment on the basis of race, sex, age, religion, color, or ancestry arose. This was solved through informal conferences and the complaint was withdrawn.

### *Applications for Employment*

This year, as in the past 2 fiscal years, the department continued to place residents in practically all job classifications in private industry. This action was due to a combination of factors including administration of the resident preference statutes and the recruitment program.

Alien certification and granting temporary work permits defines specific responsibilities for the department of labor and the employment security agency. Lack of coordination of administrative procedures has resulted in failure to follow Federal directives and State laws. One of the failures has been regulation of the inflow of nonresidents only to the extent necessary to supplement local labor.

### *Division of Apprenticeship and Training*

This year, 14 apprenticeship trainees received certificates giving them journeyman status, the largest number since 1965 and, at the close of fiscal 1968, 100 apprentices are registered and 25 of these are new. These students are being trained in business firms for such trades as carpentry, diesel mechanics, auto mechanics, welding, electricity, and machine shop work.

A major step for the division this past year was the Governor's executive order designating the apprenticeship and training council as the State approving agency for veterans benefits of apprenticeship training. The division was also recognized by the National Association of State & Territorial Apprenticeship Directors and

received wider acceptance by employers for its programs.

A challenge has been the increased demand for more trained workers in the skilled trades and efforts are underway to enlarge programs, explore new possibilities, promote wider participation in Federal and local programs and increase employer support. During the year, Job Corps trainees who had received orientation in stateside training centers were returning and registering in apprenticeship programs.

### *Division of Veterans Affairs*

This division performs all services which any Veterans' Administration performs with the exceptions of insurance and accounting records. It aids in employment, hospitalization, vocational training, rehabilitation, and other programs and has cooperated with the department of finance in developing procedures for sending veterans in emergency situations to the Veterans' Hospital in Puerto Rico.

For the third year, work continued on development of a meaningful guaranteed loan program for veterans and two loans totaling \$78,000 were extended by the Virgin Islands National Bank. Steps have also been taken to implement the resolution of the Senate of the Virgin Islands seeking establishment of a veterans' hospital here.

### *Workmen's Compensation*

Total cost for workmen's compensation during the year just ended was \$333,850, an increase of \$14,711 over the previous fiscal year. The total included payments for total disability, permanent partial disability, temporary total disability, death compensation, medical costs, and medical fees.

The number of fatal accidents increased to seven this year. No claim was filed for one and the remaining six cost \$39,627. Installment payments in these cases extend for 40 months and

include payments to heirs in the United States and British Virgin Islands, St. Kitts, and Antigua.

An increased number of safety inspections were made for a total of more than 5,000 and compliance with safety directives has been good. Early in 1968, Nelson Bortz, former Director of the Bureau of Labor Standards, U.S. Department of Labor, made recommendations for improving a number of areas. As a result of his review and recommendations, a number of safety inspectors attended seminars on occupational and industrial chemicals in Puerto Rico.

Legislation passed during the year will also improve procedures by eliminating the 3-day waiting period, increasing medical and death benefits and giving greater protection for employees working for uninsured employers.

### *Division of Recruitment*

The recruitment Division, created pursuant to act No. 1402, was directed to institute a program to encourage Virgin Islanders living aboard to return permanently to the islands. To implement such a program would have required a mainland office, adequate staff, funds for loans, grants and travel and removal of barriers such as salary differentials, competitive examinations

far from the job site and the housing shortage.

Despite these obstacles, the program brought 62 Virgin Islanders back from New York, extended loans amounting to \$5,100 of which \$2,514 has been repaid and provided employment for 127 who returned on their own. Of this total, 66 were placed in government positions and 61 in private industry.

The program did establish contact between Virgin Islands at home and abroad and this relationship should be maintained. Funds for the continuation of the division were not appropriated in the 1968-69 budget but provision has been made for a special assistant to carry out some functions of the division.

### *Virgin Islands Wage Board*

During the year, the government proposed and the legislature enacted legislation significantly affecting the board and its procedures. Membership was increased from six to seven, one of whom shall be a woman and the commissioner of labor became an ex-officio member. Staggered 3-year terms give some continuity.

The board's powers were increased to permit wider areas of coverage including systematic investigations pertinent to establishment of wage orders.

*See appendix E for table on total labor force.*



# VIRGIN ISLANDS EMPLOYMENT SECURITY AGENCY

**Personnel:** 66

**Operating Appropriation:** \$499,425

Work of the agency and its two major divisions, the employment service and the unemployment insurance service, increased during the fiscal year with total employment on the three islands at approximately 27,000 an increase of 986 positions in the local economy. Activity in the new division of reports and analysis also increased.

## *Unemployment Insurance Activities*

During fiscal 1968, maximum benefit rates were increased from \$25 to \$35 and employer taxes reduced from 2.1 to 1.5 percent. The year also saw an increase of 11 percent in new claims and claimants received the highest benefits ever paid by the unemployment insurance program amounting to \$201,894 with a total of \$193,437 under the unemployment insurance laws and \$8,457 in Federal payments. The increase of \$75,398 over the previous fiscal year reflected the higher benefit rate with the average benefit check increasing from \$24 to \$30.

Active employers on file increased from 1,732 to 1,767 and the number of new employers rose from 205 to 302 during the fiscal year. Both figures are indicators of growth in the Virgin Islands economy. Collection for the year was under \$1 million, reflecting the reduction in taxes although the impact of the six-tenth of 1 percent reduction will be more strongly shown in 1969 collections.

Payments to veterans increased from

\$1,007 in fiscal 1967 to \$6,895 and payments to former Federal employees rose from \$1,332 to \$1,562.

The unemployment insurance claims office completed its move from Estate Thomas to a larger, more centralized location on Main Street which will enable its staff to give veterans in-depth information and greater assistance with claims. Another significant event of fiscal 1968 was legislative action to remove the section of the unemployment insurance which denied the right to file, to persons under bond.

## *Employment Service*

The Virgin Islands Employment Service, through its three local offices, continued to handle applications, testing, counseling, referrals, placements, training recommendations, and area labor information. The agency was active in recruiting for the Neighborhood Youth Corps out-of-school project and for the Job Corps. In cooperation with the department of education, the agency placed 85 persons in job training situations under the Manpower Development Training Act and 43 completed their training during the fiscal year.

A total of 161 young men and women from St. Thomas were referred to Job Corps training centers in the United States and an almost equal number from St. Croix left for these stateside centers.

During the year just ended, the

agency took the first step in creating a stable labor supply source for the Virgin Islands by processing applications for permanent entry from 10,000

foreign workers. In addition, it processed the required temporary documents for workers over the 10,000 level.

# DEPARTMENT OF PUBLIC WORKS

## Personnel:

Permanent: 689  
Per Diem: 980

Operating Appropriation: \$7,072,145  
Special Projects: 575,000  
Matching Funds: 3,968,962

During the fiscal year the department of public works substantially increased its activities in providing the basic services of street and road construction and maintenance, provision of water, maintenance of water and sewer systems, construction and repair of government buildings and operation of the public cemeteries.

A total of \$7,072,145 was obligated during fiscal 1968 for basic services compared to \$6,297,227 for the previous fiscal year. A total of \$3,968,962 was expended by the department on capital improvement projects under the matching funds program.

## *Road and Street Improvement*

A total of 6.5 miles of roads and streets was reconstructed and paved on St. Thomas and 13.5 miles on St. Croix. The final 1½-mile stretch of the 8-mile Centerline Road on St. John was reconstructed and paved and streets and secondary roads on the island were improved.

The program for all three islands included widening, upgrading and paving to accommodate heavier traffic loads.

## *Street Cleaning and Garbage Removal Service*

The quantity of refuse collected and disposed of almost doubled that of the previous fiscal year. This increase was due to extension of service into the rural areas of the islands. During the

year, property was acquired near Cruz Bay, St. John, for a refuse incinerator and final plans were blueprinted for an additional incinerator on St. Thomas.

## *Water Supply*

Average daily demand on fresh water from the St. Thomas distribution systems increased 50 percent during fiscal 1968, rising from 1 million gallons to 1,500,000 gallons daily. Production from the two distillation plants was restricted because of repairs and revisions and 180 million gallons of



Major road improvements throughout the Virgin Islands are part of a stepped-up local highway program.

water had to be barged from Puerto Rico. At year's end, however, both plants were in full production and the new 2,500,000-gallon-per-day plant will be in operation early in the next fiscal year. Two 10½ million gallon reservoirs were added to St. Thomas storage facilities, raising the reserve storage from a 20- to a 25-day supply.

On St. Croix, the water supply was increased by completion of a 1 million gallon-per-day distillation plant. A 10½ million gallon water reservoir was built near Christiansted and a similar storage facility will be built near Kings Hill. Two 1-million-gallon reservoirs have been purchased. One will be located in Christiansted and the second in Frederiksted. Plans were prepared and a Federal grant obtained for complete modernization of the inadequate distribution system in Frederiksted.

The water shortage during the year reached a near-critical point since rainfall was approximately one-half the

normal precipitation. As a result, wells on St. Croix went dry or became contaminated with sea water and it was necessary to barge 17,160,400 gallons of water from St. Thomas to Cancel Bay and Cruz Bay on St. John.

### *Engineering, Design and Construction*

A total of 1,913 building permits valued at \$48,068,900 were issued during the year just ended compared to 1,501 permits at \$33,700,000 value during fiscal 1967.

Building by public works forces included the fisheries laboratory and nurses quarters on St. John, the Queen Louise Home on St. Thomas, and the public works offices and shops on St. Croix. During the year, the design section reviewed plans and specifications for public and private housing projects and completed design of the new post office facility on St. John, reconstruction of Frederiksted Pier and school additions and water pumping plants on St. Croix.



New water storage tanks, capable of holding 10 million gallons of water each, stand next to water desalting plant on St. Thomas to take converted sea water.

# DEPARTMENT OF FINANCE

Personnel: 300

Operating Appropriations: \$2,060,363

The department of finance, in its role as collecting, disbursing, and principal fiscal agency for the government of the Virgin Islands, with broad and specific powers granted to it under the laws of the Virgin Islands, is affected by every fiscal activity undertaken by our government and every economic movement in our islands.

In fiscal year 1968 as in fiscal year 1967, the upward trend in governmental operations continued to show steady and substantial increases in

revenues and in expenditures. This trend was the result of the continuing increase in social, economic and political activity throughout the islands, reflecting and requiring increased governmental services.

Revenues collected in all funds involved in the operations of the government reached a total of \$71,894,766.27 for the fiscal year ended June 30, 1968, and recorded by fund groupings, as follows:

	Amount	Percent
General fund.....	\$43,011,232.64	59.83
Matching fund and essential projects fund.....	12,682,069.63	17.64
Special and other funds.....	16,201,464.00	22.53
Total.....	71,894,766.27	100.00

Collections into the general fund, which is the principal operating fund of the government, were as follows:

Taxes .....	\$37,176,992.11
Government operating revenue .....	889,037.64
Other Revenues.....	4,945,202.89
Total .....	43,011,232.64

Collections into the matching fund and essential projects fund, which are the recipient funds for Federal internal revenue taxes collected in the United States on imports from the Virgin Islands, were as follows:

Internal revenue returns.....	\$12,367,772.49
Interest on bank balances .....	302,730.85
Refunds .....	11,566.29
Total .....	12,682,069.63

Collections into the special and other funds (most of the trust and deposit funds and certain enterprise and revolving funds: e.g., the Virgin Islands lottery fund and the government insurance fund, are excluded because they have no direct bearing on the general operations of the government as such) presented the following:

Taxes .....	<sup>1</sup> \$6,562,556.87
Government operating income .....	1,080,373.73
Federal grants-in-aid.....	4,903,532.16
Other revenues.....	3,655,001.24
Total .....	16,201,464.00

<sup>1</sup>This item includes \$5,935,636.72 of taxes held in escrow, a portion of which will consequently be transferred to the general fund to be available for appropriations. The rest will be available for subsidies.

Bond anticipation notes sold by the government of the Virgin Islands in fiscal year 1968 amounted to \$6,853,000. As of June 30, 1968, the government had borrowed, by this means, over the last 4 years a total of \$18,968,000 for the following purposes:

Schools .....	\$7,498,000
Hospitals .....	2,000,000
Water systems expansion.....	2,808,000
Hospitals .....	2,000,000
Power and water desalinization facilities* .....	6,560,000
College of the Virgin Islands.	102,000

Total ..... 18,968,000

\*Funds were paid over to and expended by the Virgin Islands Water and Power Authority.

The ceiling on such borrowings has been set by the U.S. Congress (Public Law 88-180) at 10 percent of the

aggregate assessed valuation of taxable real property in the Virgin Islands. This valuation amounted to \$197,520,096 as of December 31, 1967.

The following information shows a comparison of the ceiling with local authorizations and actual borrowings:

Ceiling (10 percent of \$197,210,096) .....	\$19,752,009
Authorizations (local statutes) .....	19,070,000
Actual borrowings.....	18,968,000
Less bonds redeemed.....	365,000
Total .....	18,603,000

Total expenditures, excluding inter- and intra-fund transfers, for all funds connected with the operations of the government, amounted to \$80,856,031.

These are shown by the grouping as follows:

	Amount	Percent
General fund.....	\$41,676,755	51.54
Matching fund.....	5,792,701	7.16
Essential projects fund.....	45,037	.06
Special and other funds.....	33,341,538	41.24
Total.....	80,856,031	100.00

Total expenditures detailed by various departments and agencies of the Government during fiscal year 1968, are as follows:

	Amount	Percent
Legislature, electoral boards, and municipal courts of the Virgin Islands.....	\$1,248,586	1.54
Health.....	11,426,853	14.13
Education.....	9,608,697	11.88
Social welfare.....	3,126,324	3.87
Public safety.....	2,399,095	2.97
Public works.....	11,868,645	14.68
Agriculture and recreation.....	2,123,699	2.63
Labor.....	359,093	.44
Housing and urban renewal.....	2,478,262	3.07
Commerce.....	2,094,550	2.59
Executive and administrative departments and agencies.....	34,122,227	42.20
Total.....	80,856,031	100.00

Note:—See app. F for tables on—

Government operating revenues.

Government operating expenditures.

Comparative statement of revenues and receipts.

Comparative statement of expenses.

Comparative statement of operating revenues and loans.

Comparative statement of net expenditures.

# OFFICE OF THE DIRECTOR OF THE BUDGET

**Personnel: 12**

The government continued to face its responsibility for expanding essential public services and economic development within the limits of available resources. Recordbreaking budgets approximating \$55 million in appropriations were projected during the year for general governmental operations and some capital improvements. Major capital projects were financed by the issuance of long-term general obligation bonds and interim bond anticipation notes.

Revenue collections from taxes and other local sources reached an alltime high of \$43,955,182 in fiscal 1968 but cost of government kept pace and strict controls were exercised over the release of budgeted funds. Operating and special purpose budget appropriations totaling \$47,358,725 provided for improvement of essential health, educational, public safety and social welfare programs and normal operational costs.

Direct appropriations of \$7,467,772 were made from the internal revenue matching fund for capital improvements including housing units on St. Thomas and St. Croix and essential roadbuilding and water and sewer construction.

The largest single issues of general obligation bonds and revenue bond anticipation notes were sold during fiscal year 1968. Both issues were well received in the money markets in the United States. General obligation bonds in the amount of \$6,915,000

**Operating Appropriations: \$112,939**

were sold to finance schools, hospitals, and water systems, in December 1967. The sale of \$8,800,000 in revenue bond anticipation notes for electric systems took place in April 1968.

As a result of strict control over the release of funds and with the cooperation of operating agencies, there is a preliminary indication of a surplus balance of \$2,500,000 being available at the end of June for carryover into the first crucial months of fiscal 1969. Following is a summary of the general budgetary data for the fiscal year just ended:

## Revenues:

Surplus cash balance	
July 1, 1967.....	\$2, 692, 830
Revenues collected fiscal	
year 1968.....	43, 955, 182
Contribution from	
matching fund fiscal	
year 1968.....	4, 900, 000
Total funds available .....	<u>51, 548, 012</u>

## Appropriations:

Operating and special	
appropriations .....	47, 358, 724
Prior appropriations	
available until ex-	
pended .....	4, 688, 784
Reappropriation of cer-	
tain projects.....	453, 811
Total appropria-	
tions .....	<u>52, 501, 319</u>

## Allotments:

Total allotments issued	
against authorized ap-	
propriations .....	49, 414, 669
Unallotted appropria-	
tions .....	3, 086, 650
Total appropria-	
tions .....	<u>52, 501, 319</u>

The Governor's budget proposal for fiscal 1969 called for \$49,967,423 for operations and special purposes and \$12,500,000 for capital improvements. These proposals were related to estimated government receipts and to receipts into the internal revenue matching fund and were in keeping with policies precluding continuation of contributions from the matching fund for operational costs. All estimated matching fund receipts were allocated for capital improvements.

The budget passed by the legislature totaled \$52,005,302 with the largest share or approximately 19 percent earmarked for the department of health. The department of education received 18.15 percent and the department of public works, 11.91 percent. An important feature of the operating budget for fiscal year 1969 is the provision of a lump-sum appropriation for implementation of a new pay plan which will become effective July 1, 1969.

Appropriations from the matching fund budget of \$12,963,000 are summarized as follows:

Acquisition of former Federal land and properties.....	\$1,157,070
Payment of long-term and short-term debt.....	650,000
Housing .....	1,243,700
Roads .....	1,982,000
Urban renewal.....	100,000
Construction of health centers .....	4,100,000
Additions and improvements to hospital and health buildings .....	120,000
Airport improvements.....	902,500
Road and construction equipment .....	575,000
Salt water and sewage systems .....	300,000
Potable water systems.....	252,000
Acquisition and repairs:	
Government buildings and structures.....	364,530
Construction of classrooms .....	125,000

Sewage improvements.....	565,000
Erection of agricultural buildings .....	150,000
Miscellaneous .....	376,200
Total .....	12,963,000

In January 1968, a new source of revenue was opened to the Virgin Islands when the oil quota granted to the Hess Oil Virgin Island Corp. went into effect. This quota agreement provides for the payment of a royalty of \$7,500 per day which is expected to yield almost \$3 million a year to the Government. Funds realized in royalties will be deposited into a conservation fund and used for conservation, beautification, recreation, and other projects specifically designated in approved legislation.

The Budget Office continued to review audit reports made by the Comptroller and to serve as liaison between the Comptroller and various departments. The year saw marked improvement in the promptness of responses to the audits and some improvement in the follow-up system.

Plans were launched during fiscal 1968 to enlarge the Budget Office to include management and organization staffing, financial management staffing and a program for coordinating federal programs.

The Budget Office participated in the coordination and review of data related to the comprehensive survey of the Government Merit System completed last year. This survey resulted in legislation revising and modernizing the system.

*See appendix G for table on operating and special appropriation of the departments and agencies.*



# DEPARTMENT OF HOUSING AND COMMUNITY RENEWAL

Personnel: 49

Operating Appropriations: \$936,133

At year's end, there were more than 2,000 units of housing in the planning and development stages in the low-rent housing program and the Virgin Islands government's housing program. The year also saw exploration of new financing methods for government housing construction which is expected to provide an even greater dramatic housing upsurge in the coming year.

A second significant event of fiscal 1968 was the department's program to enable eligible residents of low moderate incomes to buy their own homes on reasonable terms.

## *Emergency Housing Program*

Ninety-five families were housed under this program in the year ended June 30, 1968. Of this total, 44 families representing 205 people were housed in St. Thomas and 51 families representing 219 people in St. Croix; 1,258 applications for emergency housing were filed—520 in St. Thomas and 738 in St. Croix—and at year's end 2,803 applications were on file with 1,350 in St. Thomas and 1,453 in St. Croix. At the end of the fiscal year, 30 units were under construction in St. Thomas and 28 units in St. Croix.

## *Homestead and Home Loan Program*

This program covers five areas—homestead, home loan, cistern loan,

veterans' loans and sale of emergency housing single family units.

Under the homestead program, 39 parcels of homestead land were allocated during the fiscal year. Selling price of these plots totaled \$9,377 and 16,708 acres of land were involved. Twenty-five deeds of conveyance were issued during the fiscal year for property sold at a value of \$16,364 and 12 waivers were executed to enable homesteaders to obtain mortgages for home construction loans to transfer title for home construction. There were 868 homestead land applications on file at year's end.

The home loan program approved seven loans during the year and granted three installments on loans approved during fiscal 1967. Loans amounted to \$72,000 and, on June 30, 1968, there were 25 applications on file for home constructing and improvement loans totalling \$221,800.

The year saw three applications for cistern loans processed and two installments granted on previously-approved loans with a total of \$4,000 including principal and interest was \$5,103.71.

Initial allotment for the veterans housing loan program was \$50,000 and an additional \$50,000 was made available during the fiscal year. During the year, 20 loans amounting to \$100,000 were approved and 10 applications were on file amounting to \$50,000.

Certificates of eligibility were issued to 17 families who had occupied single-family emergency housing units for 1 year or more and were willing and able to buy their units. One purchaser completed payment for his unit and received fee simple title. As a result of an action filed in district court by the Attorney General to terminate trust and quiet title to lot No. 9C, hospital ground, title was vested in the government of the Virgin Islands. This action made four houses available to families who have occupied them for several years.

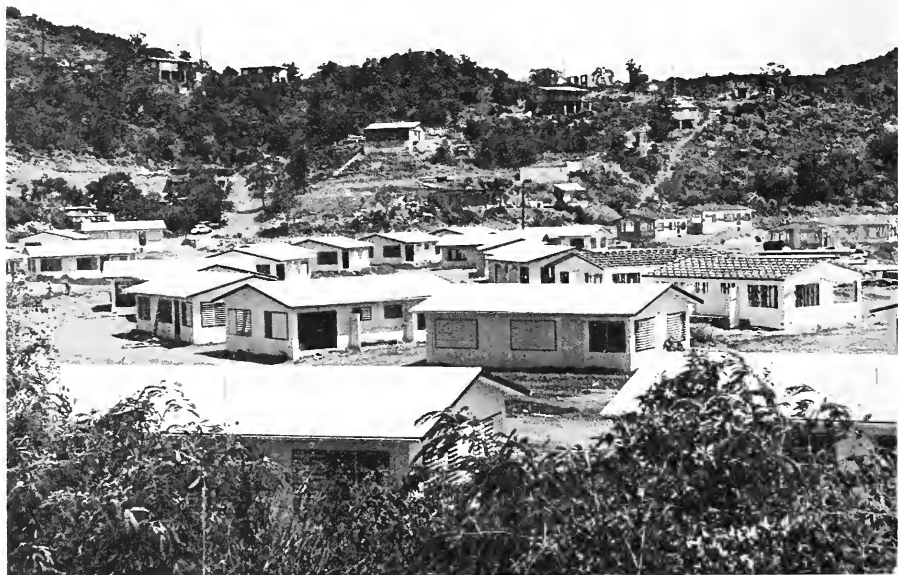
### *Community Development Programs*

The year was marked by major strides in financing some community development programs. On April 18, an act was approved authorizing the government of the Virgin Islands to borrow \$2 million from reserves of the

employees retirement system for use in constructing moderate-income housing and, at year's end, the Government had requested the loan from the system's board of trustees. The \$2 million will be used to finance three projects.

The three developments include the Estate Nadir project, St. Thomas, for which ground was broken in February 1968 and is scheduled for completion in late 1968. This project includes 79 three-bedroom houses. Second is at Estate Bordeaux, St. Thomas, now in the planning state and which will include 100 three-bedroom units. Third is at Estate Sion Farm, St. Croix, where a development of 315 individual, three-bedroom units is now under construction with a completion day of May 1969.

Three other major community development programs were included in the activities of fiscal 1968. The de-



Many new housing developments, both private and public, are springing up throughout the islands.

velopment plan for Estate Profit was completed and submitted to the legislature for approval. The legislature, however, tabled action on the plan until decision is made on the location of a four-lane highway. The firm of McClintock and Thun started work on an overall development plan for the Demerara-Honduras area in St. Thomas which will include specific recommendations for use of the small tracts in that area which are owned by the government. At Estate Contant, St. Thomas, 20 three-bedroom units were completed and occupied during fiscal 1968 which brought the total number of units to 31. At the close of the fiscal year, an additional 31 units were under construction.

### *Rent Control Agency*

A total of 141 petitions were filed with the rent control agency during the year, 65 filed on St. Thomas and 76 on St. Croix. Seven of these petitions were filed by landlords who wanted to establish maximum monthly rental ceilings on their properties. Following inspections and hearings, appropriate orders were issued. One case in St. Thomas and four in St. Croix were unsettled pending receipt of additional information. Following is a statistical report on work of the agency from fiscal 1964 through fiscal 1968:

Fiscal year	Peti- tions	Land- lords	Tenants
1964.....	68	3	64
1965.....	76	20	56
1966.....	38	(1)	38
1967.....	74	6	68
1968.....	141	7	134

<sup>1</sup> None.

### *Community Renewal Program*

Most important event of the year was approval from the regional administrator of HUD for the Virgin Islands community renewal program. An audit of the program was made fol-

lowing approval and this audit did not reveal any findings requiring corrective action. The regional office also granted permission to reprint copies of all phases of the CRP creating a one-volume study.

### *Workable Program for Community Improvement*

The annual review of this program was submitted to the Department of Housing and Urban Renewal in April 1968, and the program was recertified effective until July 1, 1969.

### *Housing Code Enforcement Program*

The Virgin Islands housing code was vigorously enforced during the last 10 months of fiscal 1968 by two housing code inspectors, three housing code enforcement officers under the supervision of the coordinator of housing. The staff inspected 340 structures containing 592 living units and found 107 structures or 138 units in violation of the code. Code enforcement action brought 23 units into compliance during the same 10-month period.

Two basic features of the code need revision. One deals with the provision for a search warrant and the department of law is trying to solve the problem of gaining entrance where citizens refuse to all inspection. The second deals with the two- and 5-year periods given before owners and landlords are required to make repairs. It seems that the appeal board or the court may be able to make individual recommendations instead of complying with the grace period.

### *Virgin Islands Housing Authority*

At year's end, Federal funds of \$3,922,778 had been approved for four projects in various stages of development. Bids for Kirwan and Kings Hill projects were higher than funds available from the Federal Government so

the government of the Virgin Islands agreed to contribute \$640,000 toward construction of these two projects.

Three projects were under construction by June 30, 1968, including Michael J. Kirwan Terrace, Lindberg Bay, St. Thomas with 138 units; a 24-unit addition to Bergs Home, St. Thomas and the Kingshill project on St. Croix including 100 units. Bids had been asked for the 84-apartment congregate housing project for the elderly to be located at Long Bay, St. Thomas, and construction will start early in fiscal 1969 on Turnkey projects at Estate Tutu, St. Thomas, and Estate Mon Bijou, St. Croix. In March 1968, the addition to Marley home project in Frederiksted, St. Croix, was completed and the project's 60 units were completely occupied at the end of the fiscal period.

The authority manages 10 projects—three in St. Thomas, three in Frederiksted, and four in Christiansted—containing a total of 1,354 apartments. During the fiscal year, 423 applications in St. Croix were received and 199 in St. Thomas to bring the active file of applications for low-rent public hous-

ing to a total of 1,943. During the same period, 80 families were admitted to projects in St. Croix and 42 in St. Thomas.

Many tenants were delinquent in paying rents during the year and the management tried to improve this picture by sending written reminders and following up with a visit by a staff member. Tenants who had difficulty in bringing rent payments to the office were urged to use the payroll deduction system but none of these methods were successful. Consequently, the authority requested court action in 552 cases.

As of June 30, 1968, there were 47 families in St. Croix and 43 in St. Thomas who were no longer eligible for public housing because of high incomes. There were also 175 families living in overcrowded units at the end of the fiscal year.

The authority continued its human resources program with monthly bulletins to the tenants and monthly meetings. Supervised recreational activities were provided for the youngsters, efforts were made to organize scouting groups in each project and two social service workers were employed to pro-



Addition to Marley Homes, St. Croix, containing 60 units, was dedicated on March 22, 1968.

vide individual and group counseling to tenants. The authority cooperated with agencies on the neighborhood youth programs and the community center in each project was used for kindergarten classes conducted by the board of education and, in cooperation with the department of health, facilities were provided for a wide range of health services.

### *Virgin Islands Urban Renewal Board*

The board continued to administer three projects—Barracks Yard, Water Gut, and Lagon Street—and two new projects were started. The application for loan and grant for Taarneberg-Ross was completed and approved by housing and urban development on a capital grant reservation of \$1,104,000 and survey and planning applications for Hill Street, Frederiksted, were approved in the sum of \$42,600.

Barracks Yard is a conservation and clearance program and, during the fiscal year, two substandard structures were renovated and working drawings for reconstruction of three others were completed and approved. The year also saw clearance of the section which will be used for a municipal government center and a Federal office building. Two parcels of land were acquired during the year to complete acquisition of 32 parcels and three structures were demolished for a total of 92 demolitions out of a total of 95 to be razed.

The board successfully relocated and paid the moving expenses of 116 families, 33 individuals, and 24 businesses, during the fiscal year.

The board also started negotiations with the local government and GSA for the sale of project lands marked for public use and the price established by independent appraisals and approved by HUD was \$5 per square foot. At this price, the area for the government center would bring \$719,-

400 and the area for the Federal office would bring \$387,700.

Determination of final award for properties taken by eminent domain was still pending after 5 years of litigation. Local courts had entered a judgment of \$6 per square foot average against the offer and deposit of \$3 per square foot. The board appealed this decision and, in June 1968, the third circuit court remanded the cases to the local district court on the basis of insufficient information to evaluate conclusions.

Water Gut is also a combined conservation and clearance project, and at the end of fiscal 1968, about 75 percent of the area was designated for conservation and rehabilitation. The balance of the area is being cleared for construction of a 114-unit middle-income housing project under FHA. The board filed the application and obtained a conditional commitment of \$2,500,000. Soil test borings were made and contracts let for final construction drawings. Target date for the ground breaking on this project is October 1968. This project is unique since the board will sponsor the development and be responsible for urban renewal action.

Five families were removed from the workload during the year ended June 30, 1968, and 20 bonded aliens were considered for housing by the board. However, a bill passed by the legislature in March 1967, required their employers to provide relocation facilities and HUD determined that they were not eligible for relocation payments so they voluntarily vacated the area. The workload will increase during fiscal 1969 since many properties scheduled for rehabilitation will be acquired by the board and must be vacated. Estimated housing requirements were submitted to the depart-

ment of housing and community renewal in the fiscal year just ended. To date, 118 families, 76 individuals, and seven businesses have been moved out of the area and nine structures were razed bringing the total to 116 of the 143 earmarked for demolition. No further work can start until the revised urban renewal plan is approved and housing provided for the displacees.

On the Lagoon Street project, fiscal 1968 saw completion of all acquisition, demolition, and relocation activities with the exception of one structure. Because of the urgent need for housing and commercial facilities in Frederiksted, the Lagoon Street plan was expanded to provide a 60-apartment, middle-income housing unit under FHA and a private shopping and office center. Soil test borings and construction drawings will be completed early in fiscal 1969 and the ground breaking is scheduled for October 1968.

The new Taarneberg-Ross project on a 15-acre tract is a conservation and clearance project which will stress private homeownership. Goals of this project are retention of standard housing in the area, demolition and rebuilding of decayed housing on land where title is held by the homeowner,

sale to owners of superfluous houses the land on which their houses are built and subdivision of other sections into minimum-size lots for sale to former residents and owners.

Part 1—application for loan and grant was approved by HUD with a capital grant reservation of \$1,104,000 and part II was submitted in June 1968. It is expected that the execution stage can begin early in fiscal 1969.

Hill Street is also a combined conservation and clearance project with major emphasis on private homeownership. Work in this area is still in the survey and planning stage and includes a house-to-house survey to determine relocation needs, preparation of a map to show parcels, owners, structures, topography and other essential data; and preparation of part 1, application for loan and grant. The Federal Government has allowed \$46,200 for this survey and planning work with a time limitation of 36 months for filing part I.

During the year, the firm of Reed, Marvel, Beauchamp & Torres was retained to prepare survey and planning applications for new projects at Gallows Bay, St. Croix, and Ross Yard and Demerara-Honduras, St. Thomas.

# DEPARTMENT OF PROPERTY AND PROCUREMENT

**Personnel:** 102

**Operating Appropriations:** \$769,788

Responsibility for rental of office space was assigned to this department during the fiscal year in addition to the activities of personnel, administration, budget, finance, accounting, and tax appeals previously handled by the office of the commissioner.

Payments for rented office space during the fiscal year totaled \$277,195. This amount represents only rents payable from territorial government funds. Rents payable from Federal grants are not processed in this office.

The year saw a total allotment of \$1,328,838 received to cover purchases. A total of \$1,202,096 was disbursed and 1,619 requisitions were processed to cover purchases.

Total expenditures for advertising and promotion for outside departments and agencies were \$93,683, an increase of approximately \$23,000 over fiscal year 1967. Allotments for activities of the Department were \$1,103,447 and operating expenses were \$1,009,389.

The Virgin Islands Board of Tax Review handled approximately 1,700 appeals of real property tax assessments, about the same number recorded for the previous fiscal year. During fiscal 1968, the board ruled that appellants should pay no more than 66⅔ percent over their 1964 assessment.

By the close of the fiscal year, the third floor of building No. 1 in the submarine base had been renovated

and plans were completed to move the department to this location at the start of the new fiscal year.

## *Division of Procurement and Supply*

Both the number and dollar value of purchase orders processed increased in fiscal 1968 over the previous period. A total of 18,050 purchase orders were processed compared to 15,948 for the previous year and the dollar value of the orders of fiscal 1968 amounted to \$15,380,067 against a dollar value of \$14,065,551 for the preceding period. Included in the 1968 total were 2,361 supply contracts amounting to \$4,794,757; 59 construction contracts with a value of \$3,554,744; 15 professional contracts valued at \$845,860; 328 miscellaneous contracts totaling \$837,959, and 267 purchases made under existing General Services Administration contracts totaling \$309,949. The number of direct open market purchases totaled 15,020 and cost \$5,036,796. The total on purchase orders issued does not cover requisitions for over-the-counter purchases under \$50 each.

Largest contract awarded during the last fiscal year amounted to \$239,280 and went to Meridian Engineering for extension of the parking apron and drainage structures at the Alexander Hamilton Airport, St. Croix. Central warehouse sales totaled \$109,831, an increase of \$15,990 over fiscal 1967.

The central warehouse will soon be relocated in larger quarters on the first floor of building No. 1 in the submarine base. Renovation of this space is scheduled for completion in December 1968.

### *Division of Property, Weights and Measures*

Summer of 1967 was marked by completion of an inventory of personal property in the departments. Student workers were used on this project and all items were tagged and record cards prepared.

The year ended June 30, 1968, saw the purchase of several large tracts of land in St. Croix for housing and recreation purposes and for a proposed highway. Land was also acquired in St. Thomas and St. John for housing and recreational use.

A new government printing office in St. Croix was made possible by a gift by the Harvey Alumina Co. of all equipment used in publication of a St. Croix newspaper to the government. The government printing office in St. Thomas had been meeting printing demands of all departments and agencies although it was handicapped by breakdowns of old equipment. Plans call for transfer of this office to the submarine base area and a study is

underway on the type of equipment to be acquired.

### *Division of Transportation*

The division services and repairs all vehicles owned by the government of the Virgin Islands and several owned by the Federal Government. During the year just ended, several new vehicles were purchased to replace older cars which were sold on bid or traded on new ones.

The division played a major role providing transportation during the National Governors' Conference and for other important press, government, and military groups.

### *Surplus Property*

Closing of a large military installation in Puerto Rico contributed to a sharp decline in surplus property received. In the year just ended, surplus property received was valued at \$55,887 compared with a value of \$130,129 on property received the preceding year.

The division's Puerto Rico office with a staff of three has been of significant help in screening surplus property, preparing documents for acquisition, and in expediting purchasing transactions there.



## DEPARTMENT OF LAW

Personnel: 34

Operating Appropriation: \$445,175

The department of law represented the government in a number of cases involving significant issues including the extent of legislative powers, administration of the industrial incentive program and the interpretation of tax laws. One of the more important matters was the attack on the Watch Production Tax Act. In cases brought by *Virgo Corporation* and *Master Time Company*, watch manufacturers, a decision was handed down in September 1967 by the U.S. Circuit Court of Appeals for the Third Circuit, upholding the tax imposed on the production of watches as a rightful subject of legislation within the authority of the Legislature of the Virgin Islands, and rejecting the argument that the law violates the commerce clause of the Constitution and the due process clause of the Revised Organic Act. Subsequently, the U.S. Supreme Court denied certiorari in the case.

In other areas, the department participated in the activities related to the issuance of bonds for various governmental purposes, the agreements with Hess Oil Co., and the Department of the Interior, the contracts relating to new construction at the College of the Virgin Islands and the agreements for expanded housing projects in St. Thomas and St. Croix.

As chief law enforcement officer of the territory, the attorney general actively participated in various commissions on the problems of law enforcement and the growth of crime. As

chairman of the Governor's special commission on law enforcement, advisor to the legislature's crime committee and a member of the task force of the commission on human resources, the attorney general assisted in the coordination of efforts of these groups in investigating the causes and extent of crime in the Virgin Islands, and the requirements for effective preventive, control, and correctional measures.

The continuing increase in governmental activities again was reflected in the number of items such as contracts, leases, deeds, and regulations prepared by the department. Over 300 legislative items were prepared or reviewed and close to 8,000 matters handled in the municipal courts. Twenty-five cases were prepared for or tried in the district court, Division of St. Thomas and St. John, and six in the St. Croix Division. Claims against the government for tort damages of not more than \$1,000 each and 200 delinquent workmen's insurance payment accounts were administratively processed.

Great demand was expressed by such departments and agencies as the department of finance, property and procurement, social welfare, public safety, and the Virgin Islands Water and Power Authority for the full-time assignment of staff attorneys. Undoubtedly the need exists for at least fuller legal services, especially in connection with the early stages of major projects or contracts being undertaken. However, in order to accomplish this greater staff will be required.

# DEPARTMENT OF PUBLIC SAFETY

**Personnel: 420**

**Operating Appropriations: \$2,544,073**

Law enforcement is becoming a more complex assignment demanding a broader concept of human and community relations. For this reason, strong emphasis was placed on training both for veterans and recruits during fiscal 1968.

Police officers are attending the 2-year course in police science at the College of the Virgin Islands. Inservice training was reviewed and modernized in line with changing local conditions, new court decisions and new developments in law enforcement. An important training aid used in this program is the IACP training keys and film strips.

FBI agents conducted 2-day training programs in each district and certificates were issued to police officers who attended these courses. A seminar on drug abuse was conducted by the Bureau of Drug Abuse Control, Food and Drug Administration, and was well attended.

Four detectives received intensive training at the Federal Bureau of Narcotics, Washington, D.C.

Plans were completed for the new police cadet corps which will be in operation early in the next fiscal year and will bring a higher degree of professionalism to the department. It is a 3-year program in which cadets will be trained in every phase of police work and encouraged to take CVI courses leading to an associate's degree. Following successful completion of the program, cadets will become members of the regular police force.

The administrative section of the department was strengthened during the year. Through legislative action, two special assistants, two administrative officers and two public relations officers were added to the commissioner's staff.

Appointments of the public relations officers was an important advance, since good law enforcement is increasingly dependent on public understanding and good will. As part of the new public relations program, accredited newsmen were issued identifying press cards.

Highway safety was an area of increased activity. Six high-powered motorcycles were added to provide maximum coverage of public highways and Veteran's Drive was changed to a four-lane highway from the District Court Building west to the Caravan Hotel to increase traffic flow during rush hours. The increase in vehicular fatalities on public highways, particularly in St. Croix, led to the formation of a highway safety patrol to cover rural areas and this action has decreased traffic accidents. As a safeguard against motorcycle deaths, an act was passed regulating types of protective headgear to be used.

During the year ended June 30, 1968, 36 policemen and four policewomen were added to the force and additional positions were filled in the investigation bureau, highway safety patrol bureau, the marshal's office, and the fire division. During the school year, school crossing and bus guards

were used to insure safety for school-children.

Increases in personnel, workload, and the need for modern equipment to combat the rising crime rate underscore the need for new and modern police headquarters in each district to include crime laboratories.

### ***Highway Safety Patrol Bureau***

The year was marked by improvements in the procedures for vehicular registration. A new addressograph multigraph machine was installed to produce plastic-coated driver's license and license plates were issued for a period of 3 years but will be tagged each year. Legislation has also been asked for issuance of driver's licenses on a 3-year basis.

Traffic accidents reported during the period totaled 3,333 with 777 persons injured and 19 persons killed. A total of 346 vehicles were stolen and 177 were recovered. Approximately 42 driver's licenses were suspended for traffic violations. Accelerated improvement and relocation of traffic signs was started during the year.

### ***Patrol Bureau***

During the fiscal year 1968, the foot patrol unit handled 3,756 cases, arrested 995 persons and charged 1,130 persons. The growing workload resulted in an addition of 40 police officers to the force.

Juvenile delinquency is becoming an increasingly serious problem and plans were started for a juvenile aid unit within the department. Special vehicular patrols were added to the foot patrol to give wider, mobile coverage particularly in rural sections of the islands.

### ***Bureau of Criminal Investigation***

A total of 2,187 criminal cases were handled by the bureau. Money and property amounting to \$302,099 were

reported stolen and recoveries amounted to \$66,669.

Several improvements were made during the year 1967-68 highlighted by removal of the identification section to a separate room to insure security, a new fingerprint filing system, based on classifications, expansion of the main quarters and filling vacant positions to control the large workload.

*See appendix H for table on number and type of criminal cases handled.*

### ***Division of Police Training***

In the past 12 months, men and women from all three islands have participated in various police training projects. Curriculums have been updated and the division has worked closely with the College of the Virgin Islands in coordinating police training with the CVI police science education program. During the year, 36 men and four women completed recruit training which included classroom instruction, court visit instruction, demonstrations, and firearms training.

### ***Office of the Marshal***

During fiscal 1967-68, the marshal's office processed a total of 28,421 documents and collected \$158,587 on executions. Workload in other areas also increased and additional personnel was added. A severe handicap to this office was the fact that addresses for rural homes and districts are often unclear because of the growing trend to establish rural areas, and this resulted in a greater number of persons not found for service.

### ***Business Inspection Office***

License and enforcement officers inspected 1,018 locations for which applications for licenses were made and 860 establishments to check on posting and renewal of business licenses. Through legislative action, this office

will move to the department of finance on July 1, 1968, although finalization of business licenses will continue to be done by this department.

### *Police Athletic League*

PAL had an active year under the director of sports and the secretary. PAL teams and individuals won tournaments and trophies in softball, baseball and basketball and interisland games were organized. Other activities included dances, cake sales, arts and crafts, and remedial reading for grade school youngsters.

### *Richmond Penitentiary*

Richmond Penitentiary poses a problem to the community and its inmates since the structure prohibits proper classification and segregation of offenders, but despite these facts, several key programs were successful during the year ended June 30, 1968.

Drought conditions injured the farm program but production was used to help feed the inmates. The fishing program was successful and allowed four minimum security inmates to make regular deposits in savings accounts and help support their families. Two block-making machines are now in operation with eight prisoners assigned and money collected from this effort is also used for family support. The cabinet shop continues to contribute to general maintenance of the institution and two separate mechanic shops are now in operation, one for body repairs and the other for mechanical repairs.

Several inmates attended classes in English, Spanish, typing, and French and, through the efforts of the St. Croix Society of Cultural Arts, others were instructed in making African games and native items. An open-air gymnasium was built and 15 inmates participated in a weight-lifting program conducted by VISTA instructors.

### *Fire Division*

The fire division responded to 423 fire calls during the fiscal year and, of this total, 33 were false alarms. Total estimated dollar value loss for the year was \$2,544,010.

A dramatic increase in fires throughout the islands resulted in a crash program for improved and additional fire stations and equipment. A major addition was made to the fire station in St. John and construction of the Estate Tuta fire station is scheduled to start soon. The new fire station in Christiansted was nearing completion at year's end and plans are being negotiated for a new station in Frederiksted.

The division employed 54 people at year's end, an increase of six from last year.

A fire prevention program was activated with orders to eliminate all fire hazards and 12 members of the St. Thomas Fire Division completed a 10-week course in arson investigation at the College of the Virgin Islands.

### *Home Guard*

The Virgin Islands Home Guard Unit continued to serve in providing security for major events including sports, talent shows, carnival, Veteran's Day, and were of great assistance in handling the 59th annual Governors' conference. Plans have been completed for moving the home guard office to building No. 1 at the submarine base.

### *Police and Fire Commission*

The commission was inactive for most of the fiscal year but with a full membership expected in the coming year, it will resume activity.

### *Parole Board*

The parole board met once during the fiscal year. Nine applications for parole were reviewed and all were granted.

## *Communications*

The year was marked by dependable operations, improved equipment and maintenance and emphasis on training of manpower.

At year's end, the department had a total of 67 base and mobile radio units in its system and a radio technician was added to the staff to increase operating time of installed equipment through better insular maintenance service.

A PBX switchboard at Christiansted police headquarters has increased efficiency of telephone service and inter-office communications and reduced monthly bills. Extension for the fire emergency phone in St. Croix, at the Frederiksted and Christiansted stations and the Grove Place fire station, has assured quick response to fire calls,

and a new monitor radio in the investigation bureau in St. Thomas gives this section instant radio coverage of emergency calls. The St. Thomas base stations have been relocated at St. Peter Mountain to raise antenna elevation and increase signal range, and although shipping strikes have delayed completion of the in-band repeater configurations for St. Thomas fire and police, this project should be completed soon.

The police callbox system in St. Thomas with 17 strategically located callboxes is now in operation and an additional three boxes are to be installed early in fiscal 1969 to give full coverage to this growing community.

Plans for the coming fiscal year include an interisland teletype link, two-way radios for motorcycles and a base-mobile system and callbox system in St. Croix.

# MUNICIPAL COURT OF THE VIRGIN ISLANDS

Personnel: 42

Operating Appropriations: \$321,088

The total cost of operating the two divisions of the municipal court for the fiscal year 1968 was \$298,253. During the year, a total of 16,241 cases were handled. The year showed that traffic subpoenas issued to the police for service upon witnesses at the scene of an accident proved successful. However, litter tickets placed with the department of public safety and other departments were not effective with only three tickets issued in St. Thomas and 10 in St. Croix.

## *Division of St. Thomas and St. John*

A total of 8,473 cases was handled by this division in fiscal 1968; 425 applications were made for marriage licenses and 404 marriages were reported.

One coroner's inquest was held during the year, and there were 51 requests for autopsies by the coroner of the department of health.

A total of \$53,690 was collected from court fines, notary fees, court

costs, and miscellaneous charges, an increase of 6 percent over the preceding fiscal year. In addition, a total of \$113,415 was collected for disbursement in reciprocal and domestic support cases, up 28.6 percent from the previous year. Cash bonds, executions, and judgments deposited with the court amounted to \$166,856, an increase of 17.4 percent over fiscal 1967.

## *Division of St. Croix*

The St. Croix division disposed of 7,768 cases during the year ended June 30, 1968, and collected \$61,409.50 from court fines, notary fees, court costs and fees, and other charges during fiscal 1968, an increase of 55 percent over the total collected in the preceding fiscal year. A total of \$146,860.86 was collected for disbursement in reciprocal and domestic cases and cash bonds, executions, and judgments deposited with the court amounted to \$219,220. There were 25 coroner's inquests.

# OFFICE OF PROBATION AND PAROLE

**Personnel:** 7

**Operating Appropriations:** \$60,684

The office of probation and parole handled a total of 505 cases during the year ended June 20, 1968. Of this load, 240 were for the municipal court, 243 for the district court, 13 reports for other States and nine preparole applications.

At the beginning of the fiscal year 1967-68, a total of 150 persons were under supervision. During the year, 278 cases were referred to the office for supervision and at the end of the year the number was 172.

The offices in St. Thomas and St. Croix were handicapped by lack of space and a shortage of key personnel. Screening of people and obtaining information have been done through home and employment visits, since no private interview rooms were available.

However, space problems on both islands will be solved early in the new fiscal year. The St. Thomas situation was created because the district court was being renovated. This project should be completed in September 1968. The office will then return to adequate quarters. In St. Croix, negotiations are underway for additional space. Funds are now available to replace the deputy chief probation officers on both islands and efforts are being made to recruit officers when space is available.

The office assisted in placing 10 persons in the Job Corps program in an effort to further their development as useful citizens.

# OFFICE OF CIVIL DEFENSE

**Personnel:** 5

**Operating Appropriations:** \$88,436

Two significant steps taken during the fiscal year were legislative action to transfer the office of civil defense from the Department of Public Safety to the executive office of the Governor and the consolidation of the office of civil defense and the office of emergency planning.

The year was also marked by appointment of a full-time State director and transfer of staff from the unclassified to the classified service under the merit system program of the U.S. Department of Health, Education, and Welfare. This transfer was completed during the third quarter of the fiscal year and was necessary for continued eligibility in the OSA/OCD Federal contribution program covering personnel and administrative expense. In addition, approval was requested and granted that all positions other than that of State director be transferred from the classified to the merit system service. This approval will affect the position of executive secretary and that of special assistant, civil defense operations in St. Croix. The St. Croix position will be transferred to the civil defense staff during the first quarter of fiscal 1969.

The year just ended was also marked by completion of the State resources management plans which are awaiting clearance from the director of the Office of Emergency Planning, Executive Office of the President. A second important document was planned—the "Survival Handbook"

which should be published early in the new fiscal year. Application has been made to the OSA/OCD for funds to underwrite one-half of the printing costs on the manual.

For many years, the islands have depended on an inadequate siren warning system. Steps have now been taken to increase the warning capability on the three major islands and the legislature has earmarked \$14,000, one-half of the amount needed for this project. Application has been made for the balance from the Federal contributions program. The office also placed orders with General Mills for a supply of multipurpose food to support the population for a 3-month postdisaster period. This food has a storage life of 5 to 10 years. A request was also initiated to procure fishing equipment and related items under a competitive bid program and this equipment is scheduled for delivery during the first quarter of fiscal 1969.

A remarking survey of fallout shelters was completed in cooperation with the APWO, Bureau of Yards and Docks, USN, shelter facilities service of the 10th Naval District in San Juan. Remarking of shelters in St. Thomas has now been completed.

A program for modification of an Emergency Operations Center at Fort Christian, St. Thomas was funded through approval of a request for \$14,073 in Federal funds and appropriating of \$8,000 by the Virgin Islands



Legislature. However, this project came to a standstill due to objections by the local offices of the National Park Service of modification of Fort Christian which is part of the historic site on the island. The controversy is now being reviewed by the Park Service.

Program papers and estimates of Federal contributions required under the personnel and administrative expense program were submitted and approved by OSA/OCD, region I.

Two hurricanes—Beulah and Edith—passed through the eastern Caribbean during September 1967, and Weather Bureau, FAA, television, and radio coverage on the storms was

excellent. Civil defense alerting was necessary on the passage of Hurricane Beulah to the south of St. Croix.

During the second quarter of the year, the Virgin Islands Office of Civil Defense acted as hosts to the semiannual conference of the National Association of State Civil Defense Directions marking the first meeting of this group outside the continental limits of the United States. The conference attracted 135 people from 39 States and the District of Columbia. During the annual conference of the U.S. Civil Defense Council, the Virgin Islands director invited that group to hold an annual meeting in the islands and the bid was favorably received.

# VIRGIN ISLANDS PLANNING BOARD

**Personnel:** 20

**Operating Appropriations:** \$211,666

The board started the fiscal year with 17 employees of an authorized 22 and with an operating appropriation of \$198,616. In September, legislative action increased this appropriation to \$211,666. At the end of fiscal 1968, the board had 20 employees and actual expenditures of \$171,812.

The board, in the office of the Governor, is responsible for general plans for the development of the Virgin Islands; for creation and administration of zoning regulations, and for giving planning assistance to other public agencies in the Virgin Islands. The board is composed of 13 territorial citizens appointed by the Governor and confirmed by the legislature. These members served staggered terms in office.

Some 27 public hearings were held during the year covering 202 items, an increase of 60 percent over the topics handled during the year which ended June 30, 1967. On St. Thomas, from one to 14 items were heard at each of the monthly public hearings and on St. Croix, from five to eight items were heard at each of the monthly hearings. Three public hearings were held at the Julius Sprauve School, Cruz Bay, St. John, and for requests and for special exceptions were heard.

## *Zoning Administration*

During the fiscal year, 235 applications for special exceptions to zoning regulations were received; 189 were processed by the staff. Of this total,

152 requests were approved by the board and 37 denied. Significant approvals included apartment and condominium apartment units and hotel units. There were 670 apartments approved for St. Croix and 185 for St. Thomas while 846 hotel rooms were approved for St. Croix, 355 for St. Thomas, and 24 for St. John.

Major hotel approvals included a 50-unit addition to the hotel on Protestant Cay; 52- and 491-unit resort-hotel condominiums at Estate Solitude and Teague Bay, respectively, on St. Croix; a 72-room hotel at Estates St. Joseph and Rosendahl; and 84-room hotel at Mulatto Bay and a 69-room hotel, office, and shops complex at Dronningens Gade in Charlotte Amalie.

Community facilities approved during the year included a desalinization plant at South Grape Tree Bay, and extended care medical facility and condominium-apartment complex at Estate Pearl, St. Croix; a shopping center at Tutu and an FM radio antenna at Care Bay, St. Thomas.

## *Subdivisions*

The year was marked by preliminary approval of 70 proposed subdivisions totaling 1,615 lots or 1,072 acres and final approval of 79 subdivisions totaling 1,716 lots or 1,017 acres. Most of the large-scale subdivisions processed by the board were in the Bak-kroe-Frenchman's Bay area on St. Thomas. Significant preliminary ap-

provals on St. Croix included 100 lots at Estate Tipperary; 267 lots at Estates Union and Mount Washington; and 119 lots at Estate Mon Bijou. On St. Thomas, 100 lots were approved at Estate Bordeaux and 9 at Estate Nadir. Both were sponsored by the government's department of housing and community renewal. On St. John, 122 lots were approved at Estate Carolina.

### *Zoning Changes*

Two major zoning changes were made during the year. On St. Thomas, the area south of Harwood Highway between its intersection at Veterans Drive and the traffic light at the Submarine Base zoned R-4 (residential) was changed to C-3 (commercial). On St. Croix, a portion of the C-2 (neighborhood shopping) district at Orange Grove and Golden Rock became C-1 (commercial).

### *Zoning Maps*

New base maps are now being drawn incorporating maps from the tax assessor's office and from developers of approved subdivisions.

### *Appeals*

Nine appeals from planning board decisions were heard by the board of zoning, subdivision, and building appeals during the year. Of the nine, two were approved, four conditionally approved, one disapproved, and two are pending.

### *Comprehensive Plan*

The general physical plan of 1964 was reviewed and consultations started with public and private agencies to develop goals, policies, and alternatives. During fiscal 1969, the planning board will report its findings to the legislature so that development proposals can be considered with the long-range goals of the islands and implementing legislation started.

### *Historic Zone Legislation*

The planning board played a major role in passage of a bill by the legislature calling for preservation of historic and cultural assets of the Virgin Islands.

The bill established, within the planning board, a seven-member advisory commission on historic landmarks which will give expert assistance to the board. The first control district created under the bill is the "Charlotte Amalie Historic and Architectural Control District" and the second is the historic district in Christianssted including the Virgin Islands National Historic Site and adjacent areas.

### *Zoning Law Revision*

A significant event of fiscal 1968 was an award to the board of an urban planning grant of \$9,925 from the Department of Housing and Urban Development to aid the board in a sweeping revision of the zoning laws. The proposed revision will be completed by the end of fiscal 1969 and will include an evaluation of present laws related to present and future growth. A key approach to the study is citizen participation so that the new laws will reflect the thoughts of the people. Work will be conducted by consultants and the staff of the Board.

### *Study of Urbanizing Area of Central St. Croix*

The old sugarcane fields of central St. Croix will soon be developed for other uses and the planning board started work on a study to serve as a guide to this future growth. This work was done under a grant from the Department of Housing and Urban Development. Three key elements of the study were completed in fiscal 1968. First, a land use and valuation study; second, a physiographic study dealing

with soil, winds, precipitation, geology and ground water, and third, a resource study.

The planning board provided the statistics and other information necessary for the consultants, Nash-Vigier, Inc., Cambridge, Mass., to complete an analysis of the economic base and a projection of the characteristics of the future population of this area. Work on this project will continue into fiscal 1969.

### *Air Transportation Study*

Two reports, "Demographic, Land Use and Land Transportation Impact of a Proposed Jetport in the U.S. Virgin Islands" by Nash-Vigier, Inc., and "An Economic Evaluation of Air Transport Activity and Airport Facilities in the U.S. Virgin Islands" by S. S. Colker, Associates were the major elements of the air transportation study. A policy recommendation "that the Government of the Virgin Islands assures the FAA that the new airport represents the desired goal and achievements" was also included. This resolution was passed by a margin of four-to-three by the planning board with one abstention on December 27, 1967.

The regional office of the Department of Housing and Urban Development (HUD) reviewed the report and stated, "we are pleased with the work that has been accomplished and hope that this study will contribute to sound policy decisions."

The HUD office did suggest reexamination of a few minor elements and recommended that findings on this project be integrated with future development plans for the Virgin Islands.

### *Estate Nazareth*

At the request of the Governor, the planning board staff prepared alternative proposals for development of the 165.9-acre Reichhold property at No.

1 Estate Nazareth, Red Hook Quarter, St. Thomas. These proposals were presented prior to negotiations for acquisition of the property by the Government of the Virgin Islands.

### *Design Review*

The design section reviewed projects from public and private organizations to insure compliance of developments with zoning and subdivision regulations. Design reviews are also intended to aid public and private developers in improving both design and appearance of their projects.

This section also served as a consultant to the agriculture and education departments on a number of recreational projects:

### *Acquisition—Future Development Areas*

A series of studies have been carried out to determine the feasibility and potential use of properties considered by the government for acquisition. Five such areas were analyzed this fiscal year, including—

1. St. Thomas-Hull Bay-Inner Brass: Recreation.
2. St. Thomas-No. 1 Estate Nazareth: Housing, recreation, community facilities.
3. St. John-Guinea Gut: Housing.
4. St. John-Coral Bay: Recreation.
5. St. John-Coral Bay: Housing, etc.

### *Feasibility Study*

An act of the Legislature of the Virgin Islands authorized a feasibility study of an alternate western vehicular entrance to Christiansted and, during the fiscal year just ended, traffic counts and land valuation studies had been completed. A report with recommendations will be made early in fiscal 1969.

### *College of the Virgin Islands*

The staff worked closely with the college during the past year. It helped establish the horticulture and landscape architecture seminars, and is now cooperating with the title I program on a public information campaign on the operations of the planning board.

### *Student Inventory—Selected Resources*

A Department of Interior grant to a research team from the Department of Landscape Architecture of the University of Massachusetts supported an exploration of certain natural, scenic, recreational, and historical resources of the territory. The staff worked closely with this team and supplied vital background information. Report

of the study will be published in January 1969.

### *Conferences and Testimony*

During fiscal 1968, the director attended a conference of State liaison officers in Puerto Rico. This meeting, sponsored by the Department of Interior, concerned the National Historic Preservation Act. The director also attended the American Society of Planning Officials meeting in San Francisco. A staff member attended a 2-week seminar in planning at the Massachusetts Institute of Technology.

Significant testimony prepared during the period was on the Comprehensive Planning and Coordination Act of 1967 and for the national estuarine pollution study of the Federal Water Pollution Control Administration.

## DIVISION OF PERSONNEL

Personnel: 23

Personnel Administration: \$160,982  
Retirement Administration: 33,731  
Grants and Contributions: 507,160

This was a significant year for the division of personnel. It marked the long-awaited completion of a comprehensive study of personnel management and enactment of four major pieces of legislation laying the groundwork for an improved merit system.

The first in-depth study of all elements of personnel management was undertaken by Dr. Henry Hubbard and a team of nine specialists. The survey covered policies and procedures in staffing, position classification, pay and fringe benefits, employment, conversion of unclassified positions, employee training, performance evaluation, employee safety, employee relations, discipline, grievances and appeals, separations and records and reports.

Following, and as a result of the survey, four important laws were enacted by the Virgin Islands Legislature. Act 2272 provides for training programs for officers and employees, Act 2273 modernizes and extends the position classification system; Act 2311 establishes criteria for the exempt service, an escalating earning rate of annual leave and veterans' preference and Act 2313 provides a pay plan more in line with salaries paid by private business.

In addition to its assigned work of recruitment, administration of examinations, certification and reviewing of personnel transactions, the division emphasized some new areas. These included additional assistance to and

consultation with staff in the operating agencies; enrollment of every professional staffer in specialized training programs conducted either by the Public Personnel Association or the U.S. Civil Service Commission Training Center; covering of more than 500 unclassified positions; bringing approximately 700 per diem employees who have worked continuously for 5 years or more into the regular classified service and delegating the personnel branch office in St. Croix to recruit and certify eligibles directly to the agencies on that island.

### *Retirement Administration*

Workload of this agency has increased considerably although the staff is handicapped by inadequate office space. A comprehensive evaluation of the retirement system is planned for the next fiscal year, the first such study since the system was founded in 1959.

At the close of the year, 206 persons were receiving semimonthly annuity payments with a total annual value of \$309,211. This is distributed as follows: 188 service retirements, five survivors' benefits, eight duty-connected death annuities, and five nonduty disability annuities. At year's end, 144 persons were processed for payments due on special pensions granted by the legislature with a total annual value of \$182,304.

Exclusive of loans to members, the system has \$6,500,000 invested with

\$4,085,000 in U.S. Government bonds; \$965,000 in corporate bonds and \$1,500,000 in time certificates of deposit in local banks. More adequate financing is now possible through act 2098 providing for the yearly esca-

tion of the Government's rate of contribution to the system for the current 4 percent to a maximum rate of 7.36 percent by July 1, 1971. Member contributions remain at 4 percent of wages up to \$12,000 annually.

## SELECTIVE SERVICE

Personnel: 6 Compensated  
31 Uncompensated

Operating Appropriations: \$47,876

During fiscal 1968, total draft registration in the two local boards reached 9,309, an increase of 1,162 from the 8,147 total at the close of the previous fiscal year. This significant increase resulted from the large number of aliens admitted for permanent residence. Although many of these aliens were of registration ages, most were above the age for military service so the large number processed showed a low rate of acceptability. These have now been removed from the available pool and reclassified.

Fiscal 1968 was also marked by new policies, widely fluctuating requirements, and a more positive public information program. Close of the year also marked 1 year's operation under the Military Selective Service Act of 1967 which extended induction authority to June 30, 1971.

Major regulation changes during the year were: initiation of the medical remedial enlistment program for volunteers, reduction of mental standards for high school graduates, elimination of critical skills with respect to job and graduate school deferments which increased local board responsibility for deferments, recall of 24,500 reservists to active duty, status change for alien doctors making them liable for registration and service as permanent residents to age 35, clarification of public information policies and retitling of board clerks as executive secretaries with increased pay and responsibilities.

Regulation changes did not affect the basic responsibilities of the system. These duties are to register young men as they reach age 18, maintain current information and classification on all registrants of draft age, defer for education, essential employment, hardship or other reasons and select men for physical examinations and induction to meet Virgin Islands quotas.

Two local boards take classification action. Each board is composed of five members who serve without pay. During fiscal 1968, more than 2,700 classifications or reclassifications were made, based on current information.

Class 1-A—available for military service—was the most active class of the year. Most young men are first classified 1-A and are then reclassified following physical examinations or changes in employment, family status, or educational programs. Classes IV-A and IV-F were also active reflecting the high number of registrants processed and found unacceptable and the return of servicemen.

The number of men deferred for educational activities during the year increased by more than 100 over the previous fiscal year. The College of the Virgin Islands may be credited with a portion of increase but there was also a rise in the number of men attending off-island schools. The Military Selective Service Act of 1967 set more stringent standards for undergraduate



deferments and sharply curtailed graduate school deferments, limiting these to the fields of medicine, dentistry and other health-related professions.

The appeal board met three times during the year to consider 11 appeals, a record number. Five appeals were from Virgin Islands registrants and six from men registered outside the Virgin Islands. Unanimous decisions were made in all 11 cases, precluding further Presidential appeal.

Based on estimated quota and calls, registrants in class I-A are selected, transported, and examined to create a

pool from which inductees are called. During the past 5 years, the acceptability rate has ranged from 27 to 59 percent. Despite lowering of mental standards in fiscal 1967 and further reduction in fiscal 1968, a barely satisfactory rate of acceptability was maintained. A total of 691 registrants was examined and only 328 or 47 percent were acceptable. The large number of resident aliens who were examined and disqualified reduced the acceptability rate from 59 percent achieved the previous year. Following is a 5-year summary.

	1964		1965		1966		1967		1968	
	Exam-ined	Per-cent	Exam-ined	Per-cent	Exam-ined	Per-cent	Exam-ined	Per-cent	Exam-ined	Per-cent
Total.....	429		378		642		428		691	
Accepted.....	114	27	121	32	224	35	251	59	328	47
Rejected.....	315	73	257	68	418	65	177	41	363	53
Mental.....	257	60	218	58	355	55	143	33	309	45
Physical.....	34	8	21	5	44	7	18	4	37	5
Combination and/or other..	24	5	18	5	19	5	16	4	17	3

The Virgin Islands induction quota for the year was 231, up 55 percent from the previous year and, for the first time in many years, the islands failed to meet this quota with only 220 inductions. Monthly quotas ranged from a low of 10 in June 1968, to a high of 29 for March 1968. Forty-six of the 220 inducted were volunteers entering the Army. An additional 101 registrants enlisted in various branches of the service for a total annual input of 321 compared to 221 separations from all services.

One factor in failure to meet the quota is a provision that a registrant ordered for induction may enlist in the service of his choice up to the

date of his induction. With an Active Army recruiter stationed in the Virgin Islands, many men choose to enlist for a longer period to specialize in a chosen assignment. Many registrants enlist just before their induction date which doesn't give local boards time to re-schedule additional inductees. However, the procedure does serve the best interests of the Armed Forces by increasing a man's length of service.

Registrants separated with fewer than 6 years of active duty are screened to the Standby Reserve to complete their military obligation. Of the 101 currently listed in the Standby Reserve, 56 have been identified as "available."

## CONCLUSION

The Virgin Islands has now completed 50 years of economic, political, and social progress as a part of the United States. The past 7 years have been particularly fruitful, marked by unprecedented economic growth, greater autonomy and recognition of political maturity and vast improvements in the living and educational standards of the people of the Virgin Islands.

The impetus for this progress has come largely through the government's ambitious program for promoting tourism and commercial and industrial activity. Its continued expansion has been aided by the introduction and expansion of nonstop jet flights from the mainland, continually improving tourist accommodations and a highly successful advertising and public relations program. Business and industrial activity have matched this advance with the aid of incentives and tax subsidies.

Increased revenues created by the favorable economic prosperity have enabled the government to greatly expand educational programs, health and housing needs, public works projects and social services. As a result, Virgin Islanders enjoy the highest standard of living in the entire Caribbean.

With the passage at the close of the fiscal year of an elective governor bill by the Congress and new changes in the Virgin Islands Organic Act, the islands have been given opportunities for genuine self-government and for unlimited expansion of needed facilities and utilities.

In the coming years, having established the sound structure of a healthy and viable society, the Virgin Islands will seek greater opportunities for the social and cultural advancement of its people, the preservation of its natural beauty and the protection and conservation of its resources.

# APPENDIX A

## OFFICE OF THE GOVERNMENT SECRETARY LICENSES ISSUED AND FEES COLLECTED

District	1964		1965		1966		1967		1968	
	Licenses	Fees	Licenses	Fees	Licenses	Fees	Licenses	Fees	Licenses	Fees
St. Thomas and St. John.....	2,010	\$117,421	2,115	\$130,781	2,221	\$141,084	2,569	\$120,642.50	3,873	\$116,177.25
St. Croix.....	1,486	32,811	1,620	42,084	1,631	45,345	1,739	41,137.00	1,776	76,560.50
Total.....	3,496	150,232	3,735	172,865	3,852	186,429	4,308	161,779.50	5,649	192,737.75

## TOTAL ASSESSMENT AND TAXES, ST. THOMAS, ST. CROIX, ST. JOHN, 1961-67

Year	Bills issued	Assessment	Taxes	Number of exemptions	Amount of exemptions	Amount of modification	Taxes
1961.....	11,303	\$58,741,770	\$734,272.13	1,576	\$47,800.00	\$105,173.64	\$581,208.49
1962.....	11,855	63,346,331	791,823.14	2,099	58,974.72	70,123.68	682,730.74
1963.....	12,679	2,017,612	309,270.15	2,388	67,095.49	35,686.10	797,448.56
1964.....	13,722	183,894,259	1,082,427.89	2,687	70,430.39	---	982,997.60
1965.....	15,120	138,860,727	1,086,067.80	2,062	155,690.57	---	1,830,418.52
1966.....	16,783	132,820,003	2,410,256.29	4,719	333,169.48	---	2,077,095.81
1967.....	18,060	197,520,965	2,469,012.06	5,000	353,199.35	---	2,120,812.71

# DETAILED CHART OF ASSESSMENTS AND TAXES INCLUDING HOMESTEAD EXEMPTION

Island	Number of bills issued	Assessments	Taxes
St. Thomas:			
Year:			
1961.....	5,500	\$28,098,747.00	\$351,234.34
1962.....	5,744	30,148,342.00	376,854.28
1963.....	6,210	34,520,023.00	431,500.29
1964.....	6,760	40,163,098.00	502,038.73
1965.....	7,157	75,529,769.00	944,122.11
1966.....	8,140	82,634,196.00	1,032,927.45
1967.....	8,694	86,527,623.00	1,081,595.29
St. Croix:			
Year:			
1961.....	5,100	28,661,753.00	358,271.91
1962.....	5,397	31,078,240.00	388,478.00
1963.....	5,731	35,302,237.00	441,277.96
1964.....	6,191	40,890,229.00	511,127.86
1965.....	7,120	80,474,180.00	1,005,927.29
1966.....	7,612	99,351,323.00	1,241,891.54
1967.....	8,242	104,867,100.00	1,310,838.76
St. John:			
Year:			
1961.....	703	1,981,270.00	24,765.88
1962.....	714	2,119,749.00	26,765.86
1963.....	738	2,195,352.00	27,441.90
1964.....	771	2,340,912.00	29,261.40
1965.....	843	2,876,778.00	35,959.72
1966.....	1,031	5,838,765.00	72,984.56
1967.....	1,124	6,126,242.00	76,578.03

## COMPARATIVE ANALYSIS OF FEES COLLECTED FOR INSURANCE ACTIVITIES, FISCAL YEARS 1964 TO 1968

	1964	1965	1966	1967	1968
Certificates of authority.....	\$2,747.50	\$3,412.50	\$3,375.00	\$3,750.00	\$4,050.00
Agents licenses.....	2,870.00	3,047.50	4,943.68	4,805.00	5,246.17
Brokers licenses.....		100.00	200.00	400.00	800.00
Solicitors licenses.....	1,460.00	1,117.52	1,050.00	1,779.96	2,212.50
Gross premium taxes.....	18,769.49	24,892.43	32,929.54	40,612.24	50,616.20
Filing annual statements.....	172.50	190.00	212.50	225.00	240.00
Filing powers of attorney.....	115.00	70.00	90.00	55.00	85.00
Sale of insurance laws.....	18.00	28.00	53.00	34.00	35.00
Total.....	\$26,152.49	\$32,857.95	\$42,903.72	\$51,661.20	\$63,284.87

## RUM PRODUCED IN VIRGIN ISLANDS

[In proof-gallon for calendar year]

	1964	1965	1966	1967	1968
Brugal & Co.....				39,600	54,054
West Indies Distillers, Ltd.....	157,470	327,072	180,102	416,361	333,525
Virgin Islands Rum Industries, Ltd.....	832,204	878,917	980,065	1,155,637	1,151,346
Total, proof gallons <sup>1</sup> .....	989,674	1,205,989	1,160,167	1,611,598	1,538,925

## ALCOHOLIC BEVERAGES EXPORTED TO THE UNITED STATES

[In proof-gallon for calendar year]

	1964	1965	1966	1967	1968
Rum.....	735,077	1,230,257	1,099,928	1,359,817	1,367,856
Whisky.....	2,568	2,160			
Cordials, liqueurs, etc.....	28,571	17,796	3,204	500	2,046
Total, proof gallons.....	766,216	1,250,213	1,103,132	1,364,817	1,369,902

<sup>1</sup> Proof gallon: The alcoholic equivalent of a U.S. gallon at 60° F., containing 50 percent of ethyl alcohol by volume.

# DENATURED ALCOHOL PRODUCED

[Wine gallons] <sup>1</sup>

	1964	1965	1966	1967	1968
Virgin Islands Rum Industries, Ltd.....	4,370	3,018	5,895	4,900	3,622

<sup>1</sup> Wine gallon: A U.S. gallon of liquid measure equivalent to the volume of 231 cubic in.

## DENATURED ALCOHOL USED IN THE MANUFACTURE OF PERFUME, BAY RUM, AND TOILET WATER

[Wine gallon]

	1964	1965	1966	1967	1968
West Indies Bay Co.....	10,398	13,894	17,920	23,870	5,095
Virgin Islands Bay Rum Manufacturing Co.....	4,368	3,019	5,720	4,900	3,622
Virgin Islands Perfume Corp.....		147	369	223	539
Huntley, Ltd.....	572	803	275	6,160	719
Total, wine gallons.....	15,338	17,863	24,284	35,153	9,975

## APPENDIX B

### DEPARTMENT OF EDUCATION SCHOOL ENROLLMENT

Total enrollment in public school increased from 10,594 to 11,497. Total in nonpublic schools increased from 4,546 to 5,065. The following tables show the figures for the past 5 years:

	Public schools				
	1963-64	1964-65	1965-66	1966-67	1967-68
Kindergarden.....	564	690	813	810	921
Grades I-IV and ungraded.....	5,197	5,536	5,993	6,361	6,757
Grades VII-XII.....	2,910	3,173	3,448	3,423	3,819
Total.....	8,671	9,399	10,254	10,594	11,497
	Nonpublic schools				
	1963-64	1964-65	1965-66	1966-67	1967-68
Total.....	3,470	3,860	3,993	4,546	5,065
Grand Total.....	12,141	13,269	14,247	15,140	16,562

#### 5-YEAR COMPARISON HIGH SCHOOL GRADUATES (12TH GRADE)

Public schools.....	228	259	269	279	373
Nonpublic schools.....	50	92	123	147	188
Grand total.....	278	351	392	426	561

#### 5-YEAR COMPARISON OF TOTAL OPERATING BUDGET

Year	Local funds	Federal funds	Total
1963-64.....	\$3,856,974	\$370,225	\$4,227,199
1964-65.....	4,689,633	419,466	5,109,099
1965-66.....	5,722,885	1,449,583	7,172,468
1966-67.....	7,287,929	1,352,249	8,640,178
1967-68.....	8,673,002	1,616,717	10,289,719

## DEPARTMENT OF HEALTH

## 1966

	Virgin Islands		St. Croix		St. John		St. Thomas		Virgin Islands		St. Croix		St. John		St. Thomas	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Live births.....	1,956	38.5	860	37.3	35	25.3	1,061	40.2	2,272	41.7	1,047	43.1	37	23.9	1,188	41.4
Deaths.....	388	7.6	181	7.8	12	8.7	195	7.4	373	6.8	164	6.8	6	3.9	203	7.1
Infant deaths.....	60	30.7	23	26.7	0	0	37	34.9	70	30.8	29	27.8	---	---	41	24.5
Neonatal deaths.....	49	23.1	16	18.6	0	0	33	31.1	51	22.4	21	20.1	---	---	30	23.3
Maternal deaths.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fetal deaths.....	71	36.3	28	32.6	1	28.6	42	39.6	72	31.7	25	23.9	0	0	47	39.6
Marriages.....	641	12.6	327	14.2	---	---	1314	11.3	696	12.8	351	14.4	---	---	1345	12.0
Divorces.....	293	5.8	90	3.9	---	---	1,203	7.3	281	5.2	96	4.0	---	---	1,185	6.4

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## APPENDIX D

### DEPARTMENT OF COMMERCE

#### TOTAL TOURIST EXPENDITURES

1963-64.....	\$48, 158, 074
1964-65.....	54, 014, 852
1965-66.....	59, 456, 245
1966-67.....	75, 035, 860
1967-68.....	100, 894, 303

#### AIR TRAFFIC PASSENGERS

1963-64.....	285, 610
1964-65.....	356, 371
1965-66.....	436, 775
1966-67.....	516, 295
1967-68.....	648, 137

#### CRUISE SHIP TRAFFIC

	Number of ships	Passengers
1963-64.....	261	110, 625
1964-65.....	238	109, 341
1965-66.....	255	117, 659
1966-67.....	296	133, 357
1967-68.....	341	165, 381

### DISTRIBUTION OF WAGES AND EMPLOYMENT, 1967-1968

Industry	Average number of employees	Average number bond- ed employees	Average annual payroll
Hotels, guesthouses, and motels.....	1, 760	612	\$4, 611, 000
Watches and related products.....	313	8	1, 025, 000
Costume jewelry and related products.....	22	0	62, 000
Showerproofing woolens <sup>1</sup> .....	24	4	65, 000
Knitting, spinning and weaving of woolens.....	55	6	212, 000
Chemicals and related products.....	519	1	3, 023, 000
All others <sup>2</sup> .....	560	73	2, 330, 500

<sup>1</sup> Affected by quota.

<sup>2</sup> Includes thermometers, manufactured woolen garments, dairy products, constructed materials, etc.

Comparison of subsidy payments received by tax exempt businesses during fiscal years 1966-68—Additionally, these businesses enjoyed exemption from real property taxes, license fees, and excise taxes on their building materials

Item	Fiscal year 1967 <sup>1</sup>	Fiscal year 1968 <sup>1</sup>
Customs duties.....	\$1, 332, 632.53	\$2, 447, 716.79
Dividend claims.....	14, 447.87	49, 951.39
Income tax.....	1, 181, 626.06	3, 382, 450.97
Excise tax.....	696, 173.04	380, 536.04

<sup>1</sup> These figures represent actual payments made by the department of finance during fiscal year.



SHIPMENTS OF WATCH MOVEMENTS AND PARTS FROM THE U.S. VIRGIN ISLANDS TO THE UNITED STATES DURING THE PERIOD JULY 1, 1967, TO JUNE 1968

<i>Name of firm</i>	<i>Number of units</i>	<i>Name of firm</i>	<i>Number of units</i>
Admiral Time.....	234, 836	R. W. Summers.....	123, 000
Antilles Industries.....	326, 309	Sussex Watch.....	40, 756
Atlantic Time.....	345, 756	Unitime Corp.....	357, 373
Belair Time.....	156, 814	Virgo Corp.....	229, 985
Belmont Industries.....	95, 766	Multi-Jewel.....	431
Master Time.....	209, 069	Virgiline.....	40, 000
Quality Products.....	346, 064	Watches Inc.....	122, 850
Roza Watch.....	234, 550		
Standard Time.....	603, 992	Total.....	3, 466, 551

WATCH MOVEMENTS SHIPPED FROM THE U.S. VIRGIN ISLANDS DURING JANUARY TO JUNE 1967

<i>Name of firm</i>	<i>Number of units</i>	<i>Name of firm</i>	<i>Number of units</i>
Admiral Time.....	58, 345	R. W. Summers Time.....	64, 195
Antilles Industries.....	219, 131	Sussex Watch.....	33, 574
Atlantic Time.....	190, 244	Unitime Corp.....	120, 057
Belair Time.....	62, 692	Virgo Corp.....	92, 100
Belmont Industries.....	13, 962	Multi-Jewel.....	10, 419
Master Time.....	57, 600	Virgiline.....	400
Quality Products.....	88, 712	Watches Inc.....	60, 255
Roza Watch.....	96, 590		
Standard Time.....	276, 167	Total.....	1, 444, 443

# APPENDIX E

## DEPARTMENT OF LABOR LABOR FORCE

	Annual			Change			
	Fiscal year 1966	Fiscal year 1967	Fiscal year 1968	1966-1967		1967-1968	
Total labor force.....	23,374	26,048	27,107	2,674	11.0	1,059	4.1
Total employment.....	23,216	25,911	26,897	2,695	11.6	986	3.4
Insured unemployment.....	81	79	140	-2	-2.5	71	77.2
Insured unemployment rate.....	0.43	0.37	0.63				

# APPENDIX F

## GOVERNMENT OF THE VIRGIN ISLANDS

### ALL FUNDS

#### STATEMENT OF STANDARD GOVERNMENT OPERATING REVENUE JULY 1, 1967 TO JUNE 30, 1968

Source of revenue	Total	General fund	Matching fund	Essential projects fund	Special and other funds
<b>Taxes:</b>					
Real property taxes.....	\$2,308,295.63	\$2,308,295.63			
Income taxes.....	25,942,774.06	25,942,774.06			
Inheritance taxes.....	77,384.94	77,384.94			
Stamp taxes.....	464,558.30	464,558.30			
Corporation franchise taxes.....	52,448.43	52,448.43			
Production taxes.....	388,983.68	388,983.68			
Gasoline taxes.....	626,920.15				\$626,920.15
Gross receipts taxes.....	5,013,144.85	5,013,144.85			
Trade and excise taxes.....	2,929,402.22	2,929,402.22			
Taxes held in escrow.....	5,935,636.72				5,935,636.72
<b>Total taxes.....</b>	<b>43,739,548.98</b>	<b>37,176,992.11</b>			<b>6,562,556.87</b>
<b>Government operating income:</b>					
Sewerage service charges.....	40,673.61	32,120.05			8,553.56
Water supply charges.....	665,435.06	631,203.43			34,231.63
Hospital service charges.....	870,613.35				870,613.35
Miscellaneous service charges.....	211,695.69	193,836.26			17,859.43
Sale of property and equipment including homestead land.....	15,829.66	4,956.39			10,873.27
Court costs, fees, and charges.....	15,288.70	15,288.70			
Harbor dues and services.....	138,242.49				138,242.49
<b>Total government operating income.....</b>	<b>1,957,778.56</b>	<b>877,404.83</b>			<b>1,080,373.73</b>
<b>Other revenues:</b>					
License fees and permits.....	1,304,094.42	1,035,790.13			268,304.29
Fines forfeits and penalties.....	118,179.82	43,423.32			74,756.50
Collections from U.S. Customs.....	4,804,000.00	3,425,785.16			1,378,214.84
Rents and concessions.....	778,690.08	21,993.15			756,696.93
Federal contributions including Internal Revenue returns.....	17,271,304.65		\$12,367,772.49		4,903,532.16
Private contributions.....	187,432.60	12,229.60			175,203.00
Refunds and overdeposits.....	84,953.20	19,571.41	9,388.59	\$2,177.70	53,815.50
Department services.....	43,861.99	11,632.81			32,229.18
Miscellaneous receipts.....	711,529.88	168,439.93			543,089.95
Interest on bank balances.....	893,392.09	217,970.19	294,984.33	7,746.52	372,691.05
<b>Total other revenues.....</b>	<b>26,197,438.73</b>	<b>4,956,835.70</b>	<b>12,672,145.41</b>	<b>9,924.22</b>	<b>8,558,533.40</b>
<b>Total operating revenue.....</b>	<b>71,894,766.27</b>	<b>43,011,232.64</b>	<b>17,672,145.41</b>	<b>9,924.22</b>	<b>16,201,464.00</b>
<b>Loans:</b>					
Proceeds of bond anticipation notes.....	6,853,000.00				6,853,000.00
<b>Grand totals.....</b>	<b>78,747,766.27</b>	<b>43,011,232.64</b>	<b>12,672,145.41</b>	<b>9,924.22</b>	<b>23,054,464.00</b>

## GOVERNMENT OF THE VIRGIN ISLANDS

## ALL FUNDS

STATEMENT OF STANDARD GOVERNMENT OPERATING EXPENDITURES  
JULY 1, 1967 TO JUNE 30, 1968

Type of expenditure	Total	General fund	Matching fund	Essential projects fund	Special and other funds
<b>Legislative:</b>					
Legislature of the Virgin Islands:					
Operating.....	\$705,967.45	\$705,967.45			
Capital improvements.....	32,957.94		\$32,957.94		
Home rule committee.....	15,726.43	15,726.43			
Reapportionment committee.....	89,323.62	89,323.62			
Other.....	4,527.68	4,527.68			
	848,503.12	815,545.18	32,957.94		
<b>Electoral boards:</b>					
St. Thomas.....	17,385.66	17,385.66			
St. Croix.....	20,441.44	20,441.44			
St. John.....	6,372.39	6,372.39			
<b>Office of the Supervisor of Election:</b>					
Operating.....	33,170.38	33,170.38			
Voter registration check-up.....	33,553.00	33,553.00			
	110,922.87	110,922.87			
Total legislative.....	959,425.99	926,468.05	32,957.94		
<b>Judicial:</b>					
Municipal courts of the Virgin Islands.....	289,160.33	289,160.33			
<b>Executive offices and functions:</b>					
Office of the Governor:					
Operating.....	290,371.47	290,371.47			
Capital improvements.....	118,484.01	30,721.91	87,762.10		
Governors contingent fund.....	114,735.98	114,735.98			
Governors conference.....	64,747.22	64,747.22			
Teacher development and training program.....	292,970.00	292,970.00			
In-depth study of personnel management.....	50,159.59	50,159.59			
Purchase of land at Coral Bay.....	25,000.00	25,000.00			
V.I. Public Television Commission.....	4,019.49	4,019.49			
VISTA program.....	62,632.75	62,632.75			
Antipoverty program.....	22,007.27	22,007.27			
Other.....	11,973.51	11,973.51			
Office of the director of the budget.....	95,058.37	95,058.37			
Office of the director of personnel.....	146,646.46	146,646.46			
Retirement administration:					
Operating.....	30,343.64	30,343.64			
Pension payments.....	168,725.25				\$168,725.25
Grants and contributions.....	337,760.00	337,760.00			
Office of the probation officer.....	46,316.86	46,316.86			
Virgin Islands Planning Board:					
Operating.....	209,451.48	161,998.20			47,453.28
Other.....	282.43	282.43			
Office of the administrative assistant—St. Croix.....	143,640.17	143,640.17			
Office of the administrative assistant—St. John:					
Operating.....	65,465.58	65,465.58			
Grants and contributions.....	4,869.46	4,869.46			
Office of public relations and information.....	218,465.52	218,465.52			
Office of statistics and economic studies:					
Operating.....	26,774.07	26,774.07			
Statistical and survey projects.....	15,889.19				15,889.19
Office of civil defense.....	35,500.00	32,564.20			2,935.80
Office of the division of special projects:					
Operating.....	26,135.68	26,135.68			
Other.....	4,452.88	4,452.88			
	2,632,878.33	2,310,112.71	87,762.10		235,003.52
<b>Office of the government secretary:</b>					
Operating.....	315,346.31	315,346.31			
Other.....	13,135.00	13,135.00			
	328,481.31	328,481.32			

Type of expenditure	Total	General fund	Matching fund	Essential projects fund	Special and other funds
Department of Law.....	379,693.35	379,693.35			
Department of Finance:					
Operating.....	1,935,608.77	1,935,608.77			
Capital improvements.....	1,319,605.16		665,605.16		654,000.00
Refund of taxes, fees, and licenses.....	218,324.14	218,324.14			
Unemployment compensation insurance.....	91,648.51	91,648.51			
Workmen's compensation insurance.....	155,879.69	155,879.69			
Unliquidated encumbrances.....	5,492.00	5,492.00			
Bonding of government officials and employees.....	7,452.20	7,452.20			
Construction of 18-hole golf course.....	80,000.00	80,000.00			
Claims against the Virgin Islands Government.....	13,861.96	1,042.50			12,819.46
Repairs and maintenance of finance buildings.....	7,399.15	7,399.15			
Refund of certain 1965 real property taxes.....	24,228.62	24,228.62			
Income tax refunds.....	987,409.24	987,409.24			
Payment of utilities for other departments.....	782,499.42	680,953.77			101,545.65
Law library fund purchases.....	809.25				809.25
Virgin Islands airport and industrial resources.....	33,728.63	33,728.63			
Molasses subsidy.....	116,371.58				116,371.58
Tax exemption subsidy.....	6,160,646.67				6,160,646.67
Interest and payment of bond anticipation notes.....	7,172,619.16				7,172,619.16
Interest and redemption of bonds.....	536,930.00				536,930.00
Bonded debt expense.....	71,952.33		4,433.67		67,518.66
Virgin Islands Water and Power Authority—Proceeds of notes.....	3,698,989.85				3,698,989.85
College of the Virgin Islands—Proceeds of notes.....	102,000.00				102,000.00
Semicentennial and Governors' conference.....	445,219.57				445,219.57
Fish and wildlife program.....	9,877.20				9,877.20
Grants and contributions.....	1,755,571.00	1,755,571.00			
Other.....	5,125.00	5,125.00			
	25,739,249.10	5,989,863.22	670,038.83		19,079,347.05
Department of Property and Procurement:					
Operating.....	700,035.81	700,035.81			
Capital improvements.....	248,328.53		52,572.87		195,755.66
Purchase of equipment rentals and advertising and transportation for other departments.....	1,510,069.52	1,433,527.66			76,541.86
Grants and contributions.....	167,680.00	167,680.00			
	2,626,113.86	2,301,243.47	52,572.87		272,297.52
Department of Health:					
Operating.....	6,309,337.15	6,309,337.15			
Capital improvements.....	1,440,267.23	91,935.87	33,032.92		1,315,298.44
Repairs and maintenance to health buildings.....	29,562.87	29,562.87			
Medicare program.....	50,208.42	50,208.42			
Implementation of medicare.....	5,552.74	5,552.74			
Public health service.....	3,079,816.52				3,079,816.52
Neighborhood Youth Corp.....	437,412.67				437,412.67
Grants and contributions.....	63,868.75	63,868.75			
Other.....	10,826.50	9,874.90			951.60
	11,426,852.85	6,560,340.70	33,032.92		4,833,479.23
Department of Education:					
Operating.....	6,142,419.92	6,142,419.92			
Capital improvements.....	1,027,816.45	301,392.38	3,776.52	\$4,526.34	718,121.21
Vocational rehabilitation.....	158,464.47				158,464.47
Vocational education.....	544,693.04				544,693.04
School lunch program.....	188,100.37				188,100.27
National defense education.....	197,599.76				197,599.76
Federal grant to education.....	58,071.92				58,071.92
Manpower development and training.....	23,653.66				23,653.66
Headstart program.....	247,236.94				247,236.94
Adult basic education.....	42,341.94				42,341.94
Elementary and secondary education.....	493,431.98				493,431.98
Virgin Islands arts program.....	70,519.25				70,519.25
Education workshop for teachers.....	15,155.79				15,155.79
Neighborhood in school project.....	84,440.29				84,440.29

Type of expenditure	Total	General fund	Matching fund	Essential projects fund	Special and other funds
<b>Department of Education—Continued</b>					
Board of education.....	17,801.45	17,801.45	-----	-----	-----
Grants and contributions.....	293,199.28	293,199.28	-----	-----	-----
Other.....	3,750.00	3,750.00	-----	-----	-----
	9,608,696.51	6,758,563.03	3,776.52	4,526.34	2,841,830.62
<b>Department of Social Welfare:</b>					
Operating.....	1,625,187.89	1,625,187.89	-----	-----	-----
Capital improvements.....	1,152.45	-----	1,152.45	-----	-----
Grants and contributions.....	143,721.60	143,721.60	-----	-----	-----
Programs:					
Sewing project—St. John.....	12,483.60	12,483.60	-----	-----	-----
Day care facilities.....	285,877.75	157,402.10	-----	-----	128,475.65
Commission on aging.....	13,539.95	12,663.91	-----	-----	876.04
Youth Commission.....	3,579.74	3,579.74	-----	-----	-----
Home care center.....	6,010.16	6,010.16	-----	-----	-----
Public assistance.....	839,597.48	-----	-----	-----	839,597.48
Child welfare.....	81,663.24	-----	-----	-----	81,663.24
Cancer program.....	27,278.18	-----	-----	-----	27,278.18
Work experience program.....	50,429.74	-----	-----	-----	50,429.74
Aldersville Home.....	15,573.89	-----	-----	-----	15,573.89
Corneiro Home.....	20,228.61	-----	-----	-----	20,228.61
	3,126,324.28	1,961,049.00	1,152.45	-----	1,164,122.83
<b>Department of Public Safety:</b>					
Operating.....	2,336,415.73	2,336,415.73	-----	-----	-----
School crossing guards.....	10,000.00	10,000.00	-----	-----	-----
Survey of police division.....	40,532.13	40,532.13	-----	-----	-----
Civil defense.....	961.18	-----	-----	-----	961.18
Other.....	11,186.00	11,186.00	-----	-----	-----
	2,399,095.04	2,398,133.86	-----	-----	961.18
<b>Department of Public Works:</b>					
Operating.....	6,811,347.12	6,811,347.12	-----	-----	-----
Capital improvements.....	5,023,853.72	122,940.83	3,114,526.30	37,217.48	1,749,169.11
Grants and contributions.....	18,874.77	18,874.77	-----	-----	-----
Other.....	14,569.77	14,569.77	-----	-----	-----
	11,868,645.38	6,967,732.49	3,114,526.30	37,217.48	1,749,169.11
<b>Department of Housing and Community Renewal:</b>					
Operating.....	377,618.19	377,618.19	-----	-----	-----
Capital improvements.....	1,875,850.92	-----	1,682,249.81	100.00	193,501.11
Bordeaux homesites and improvements.....	31,792.85	31,792.85	-----	-----	-----
Grants and contributions.....	193,000.00	193,000.00	-----	-----	-----
	2,478,261.96	602,411.04	1,682,249.81	100.00	193,501.11
<b>Department of Commerce:</b>					
Operating.....	713,074.35	713,074.35	-----	-----	-----
Marine and aviation services.....	397,511.23	-----	-----	-----	397,511.23
Advertising and literature.....	878,882.77	878,882.77	-----	-----	-----
Promotion of fishing and water sports.....	48,988.78	48,988.78	-----	-----	-----
Beautification program.....	19,035.02	19,035.02	-----	-----	-----
Grants and contributions.....	37,058.20	37,058.20	-----	-----	-----
	2,094,550.35	1,697,039.12	-----	-----	397,511.23
<b>Department of Labor:</b>					
Operating.....	349,525.42	349,525.42	-----	-----	-----
Grants and contributions.....	9,400.00	9,400.00	-----	-----	-----
Other.....	167.46	167.46	-----	-----	-----
	359,092.88	359,092.88	-----	-----	-----

Type of expenditure	Total	General fund	Matching fund	Essential projects fund	Special and other funds
<b>Department of Agriculture and Recreation:</b>					
Operating.....	1,512,044.33	1,512,044.33			
Capital improvements.....	81,234.95	58,331.18	10,639.69	3,192.98	9,071.10
Eradication of bond tick.....	161,869.45				161,869.45
Emergency drought relief.....	62,870.08				62,870.08
Special conservation activities.....	28,685.20				28,685.20
Virgin Islands sports team—Pan American Games.....	16,270.06	16,270.06			
Road side tree improvement.....	15,546.90	15,546.90			
Purchase land estate Tutu.....	18,000.00	18,000.00			
Cover cutter—Basketball court.....	16,098.00	16,098.00			
Grants and contributions.....	202,257.51	202,257.51			
Other.....	8,822.36	8,822.36			
	<u>2,123,698.84</u>	<u>1,847,370.34</u>	<u>10,639.69</u>	<u>3,192.98</u>	<u>262,495.83</u>
<b>Employment Service Administration:</b>					
Operating.....	278,417.92				278,417.92
Manpower development and training.....	18,634.50				18,634.50
	<u>297,052.42</u>				<u>297,052.42</u>
<b>Unemployment Compensation Administration:</b>					
Operating.....	181,992.09				181,992.09
<b>Virgin Islands Airport and Industrial Resources Agency:</b>					
Operating.....	1,270,477.29				1,270,477.29
Capital improvements.....	446,895.47		103,991.50		342,903.97
	<u>1,717,372.76</u>		<u>103,991.50</u>		<u>1,613,381.26</u>
<b>Virgin Islands Board of Public Accountancy:</b>					
.....	301.05				301.05
<b>Commission on Human Services:</b>					
Grants to Catholic social center.....	219,092.55				219,092.55
Total executive and other.....	<u>79,607,444.91</u>	<u>40,461,126.52</u>	<u>5,759,742.99</u>	<u>45,036.80</u>	<u>33,341,538.60</u>
Total operating expenditure.....	<u>80,856,031.23</u>	<u>41,676,754.90</u>	<u>5,792,700.93</u>	<u>45,036.80</u>	<u>33,341,538.60</u>

GOVERNMENT OF THE VIRGIN ISLANDS  
GENERAL FUND, MATCHING FUND AND ESSENTIAL PROJECTS FUND  
COMPARATIVE STATEMENT OF REVENUES AND RECEIPTS  
FISCAL YEARS 1964-68

	Fiscal year 1968	Percent of total	Fiscal year 1967	Percent of total	Fiscal year 1966	Percent of total	Fiscal year 1965	Percent of total	Fiscal year 1964	Percent of total
<b>General fund:</b>										
Real property taxes	\$2,308,295.63	5.37	\$1,096,051.64	3.07	\$939,440.21	3.55	\$835,759.08	4.07	\$760,042.86	4.44
Income taxes	25,942,774.06	60.32	22,927,642.74	64.24	17,462,233.64	64.53	13,206,870.65	64.27	10,707,372.83	62.58
Inheritance taxes	77,384.94	.18	820,962.75	2.30	89,869.52	.33	73,785.91	.12	59,300.12	.35
Stamp taxes	464,538.30	1.08	337,884.61	.95	323,020.13	1.19	307,946.21	1.50	195,116.84	1.14
Trade excise and gross receipts taxes	7,942,547.07	18.47	6,322,186.33	17.71	5,291,143.86	19.52	4,211,310.15	20.49	3,388,602.08	19.80
Custom dues	3,425,785.19	7.96	2,469,570.99	7.00	973,793.43	3.60	638,895.22	3.21	780,004.65	4.66
Licenses, fees and permits	1,035,790.13	2.41	868,791.76	2.43	768,509.55	2.84	692,260.61	3.37	618,130.69	3.61
Corporation franchise taxes	52,448.43	.12	53,183.75	.15	36,111.38	.13	40,527.08	.20	36,673.03	.21
Fines, forfeits, and penalties	43,423.32	.10	20,541.00	.06	21,129.18	.08	26,023.97	.13	41,282.37	.24
Revenues from use of money and property	181,800.48	.42	120,369.21	.34	49,127.46	.18	31,810.44	.15	12,603.81	.07
Other income and receipts <sup>1</sup>	1,536,425.09	3.57	622,753.59	1.75	1,096,598.07	4.05	512,571.23	2.49	512,298.63	3.00
Total general fund	43,011,232.64	100.00	35,689,938.37	100.00	27,060,976.43	100.00	20,548,760.55	100.00	17,111,237.81	100.00
<b>Matching fund and essential projects fund:</b>										
Internal revenue matching contributions	12,367,772.49	97.52	11,073,732.26	98.31	10,405,984.38	98.64	8,313,412.70	98.87	7,042,107.28	91.12
Transfers and reimbursements	11,566.29	.09	3,097.28	.03	5,856.80	.05	12,294.13	.14	507,403.08	6.57
Miscellaneous insurance compensation									71,100.00	.92
Interest on government funds	302,730.85	2.39	187,229.27	1.66	137,799.95	1.31	82,967.92	.99	107,327.30	1.39
Total matching fund and essential projects fund	12,682,069.63	100.00	11,284,038.81	100.00	10,549,641.13	100.00	8,408,694.75	100.00	7,727,939.66	100.00
Grand total	55,693,302.27		46,933,997.18		37,610,617.56		28,957,365.30		24,839,177.47	

<sup>1</sup> \$4.9 millions transferred from the matching fund is not included.



**GOVERNMENT OF THE VIRGIN ISLANDS**  
**GENERAL FUND, MATCHING FUND AND ESSENTIAL PROJECTS FUND**  
**COMPARATIVE STATEMENT OF EXPENSES**  
**FISCAL YEARS 1964-68**

	Fiscal year 1968	Percent of total expenses	Fiscal year 1967	Percent of total expenses	Fiscal year 1966	Percent of total expenses	Fiscal year 1965	Percent of total expenses	Fiscal year 1964	Percent of total expenses
<b>Standard governmental expenses:</b>										
Legislative.....	\$848,280.44	1.64	\$705,899.24	1.57	\$532,462.30	1.52	\$442,258.80	1.59	\$313,044.46	1.32
Judicial (municipal courts).....	317,389.92	.62	270,904.57	.61	253,384.17	.73	166,060.69	.60	96,950.78	.41
<b>Executive:</b>										
Administrative departments and agencies.....	5,589,810.99	10.83	4,434,679.81	9.84	3,697,227.61	10.60	2,992,519.68	10.80	2,611,783.47	10.99
Service departments:										
Public works:										
Health.....	7,516,018.27	14.56	6,370,186.17	14.14	4,946,462.39	14.17	4,048,500.77	14.60	3,218,084.69	13.54
Education.....	7,047,596.56	13.66	6,000,950.13	13.32	4,863,128.02	13.93	3,762,776.91	13.68	3,861,783.87	14.15
Social welfare.....	6,748,486.46	13.08	5,775,702.30	12.82	4,859,376.00	13.92	4,069,896.11	14.46	3,622,958.02	16.01
Public safety.....	1,867,512.66	3.62	1,626,442.21	3.39	1,299,457.85	3.72	1,271,588.02	4.01	1,226,538.09	3.46
Commerce.....	2,600,015.03	5.04	2,060,797.37	4.57	1,686,641.72	4.65	1,371,491.08	4.69	1,078,000.87	3.54
Agriculture and labor.....	841,414.13	1.63	678,996.42	1.51	1,235,920.19	3.54	834,325.96	3.01	570,003.81	3.77
Housing and community renewal.....	407,447.51	.79	330,638.27	.73	974,375.25	2.79	665,440.50	2.40	368,890.22	1.52
Agriculture and recreation.....	1,748,211.17	3.39	1,511,862.58	3.36	286,186.27	.85	249,442.89	.90	180,378.70	.76
Labor.....	409,370.68	.79	344,802.27	.77						
<b>Total.....</b>	<b>34,775,883.46</b>	<b>67.39</b>	<b>29,034,557.53</b>	<b>64.45</b>	<b>23,757,705.30</b>	<b>68.07</b>	<b>18,977,091.79</b>	<b>68.45</b>	<b>16,569,106.04</b>	<b>68.74</b>
<b>Other governmental expenses.....</b>	<b>9,587,953.19</b>	<b>18.58</b>	<b>10,277,012.81</b>	<b>22.81</b>	<b>6,375,926.63</b>	<b>18.27</b>	<b>4,188,356.96</b>	<b>15.11</b>	<b>2,486,820.63</b>	<b>10.47</b>
<b>Total Standard governmental expenses.....</b>	<b>45,529,507.01</b>	<b>88.23</b>	<b>40,288,464.15</b>	<b>89.44</b>	<b>30,910,478.40</b>	<b>88.59</b>	<b>23,773,768.24</b>	<b>85.75</b>	<b>19,467,921.91</b>	<b>81.94</b>
<b>Public projects—General fund, matching fund, and essential projects fund:</b>										
Public Works Department.....	3,016,547.29	5.85	3,872,424.74	8.60	2,566,658.70	7.35	3,025,797.86	10.91	3,533,578.00	14.87
Health Department.....	10,000.00	.02			334,000.00	.96			110,350.00	.46
Education Department.....	282,923.04	.55	58,041.71	.13	74,060.02	.21	98,540.42	.36	10,838.65	.05
Social Welfare Department.....										
Housing and Community Renewal Department.....	1,717,601.75	3.33	530,144.47	1.18	572,515.03	1.64	665,196.88	2.40	508,336.18	2.14
Agriculture and Labor Department.....					67,709.12	.19	110,240.45	.40	127,728.33	.54
Property and Procurement Department.....	53,272.87	.10	46,373.25	.10	13,000.00	.04	30,000.00	.11		
Commerce Department.....							20,405.00	.07		
Legislative.....	26,899.68	.05			13,492.88	.04				
Office of the Governor.....	86,084.81	.17	10,420.00	.02	25,000.00	.07				
Virgin Island Airport and Industrial Resources Agency.....	103,991.50	.20	29,965.61	.06	381,029.73	.91				
Agriculture and recreation department.....	77,134.57	.15	168,024.85	.37						
Finance Department.....	665,605.16	1.20	43,400.00	.10						
Office of the Governor.....	30,721.91	.06								
<b>Total public projects—General fund, matching fund, and essential projects fund.....</b>	<b>6,070,788.58</b>	<b>11.77</b>	<b>4,758,794.63</b>	<b>10.56</b>	<b>3,984,555.48</b>	<b>11.41</b>	<b>3,950,180.61</b>	<b>14.25</b>	<b>4,250,931.16</b>	<b>18.06</b>
<b>Total expenses.....</b>	<b>51,600,295.59</b>	<b>100.00</b>	<b>45,047,258.78</b>	<b>100.00</b>	<b>34,904,033.88</b>	<b>100.00</b>	<b>27,723,948.85</b>	<b>100.00</b>	<b>23,788,853.07</b>	<b>100.00</b>

GOVERNMENT OF THE VIRGIN ISLANDS  
ALL FUNDS

COMPARATIVE STATEMENT OF OPERATING REVENUES AND LOANS  
FISCAL YEARS 1961-68

	1963	1967	1966	1965	1964	1963	1962	1961
<b>Revenues:</b>								
Real property taxes.....	\$2,308,295.63	\$1,096,052	\$959,440	\$835,759	\$760,043	\$590,080	\$490,414	\$348,175
Income taxes.....	25,942,774.06	22,927,043	17,462,234	13,233,677	10,707,373	7,511,216	7,221,086	5,619,721
Inheritance taxes.....	77,384.94	820,963	89,870	24,786	59,369	18,898	37,530	42,542
Revenue stamp taxes.....	464,588.30	337,985	323,020	307,946	195,116	135,325	135,719	112,853
Trade, excise, corporation, and gross receipt taxes.....	7,994,995.50	6,375,572	5,317,683	4,252,254	3,434,618	1,974,344	1,676,071	1,353,079
Taxes held in escrow.....	5,935,686.72	5,100,217	1,899,959	720,703	1,032,027	443,473	306,100	564,305
Gasoline taxes.....	626,920.15	532,257	582,387	342,442	294,516	274,498	259,383	212,002
Other taxes.....	388,983.68		135,300	10,228	30,087			
U.S. Customs dues.....	4,804,000.00	3,600,000	2,100,000	1,475,000	1,375,000	1,260,000	747,085	431,781
Licenses, fees, and permits.....	1,304,094.42	1,103,772	833,472	752,326	664,539	536,210	462,096	392,638
Fines, forfeits, and penalties.....	118,179.82	86,134	77,603	71,073	84,706	109,427	64,874	57,365
Court costs, fees, and charges.....	15,288.70	17,585	15,504	14,743	12,897	20,447	19,227	15,799
Hospital service charges.....	870,613.35	498,812	315,622	264,129	313,505	209,233	204,370	91,993
Sewerage service charges.....	40,673.61	32,531	32,708	36,493	31,562	28,437	32,191	36,752
Water supply service charges.....	665,435.06	429,129	239,611	211,890	194,099	159,320	149,123	119,460
Harbor service charges.....	138,242.49	121,471	86,525	82,489	81,203	55,658	184,552	111,010
Revenue from use of money and property.....	1,699,247.72	1,198,503	392,445	312,150	221,392	300,847	234,571	179,102
Sale of government property.....	71,007.45	33,131	15,210	28,126	7,838	27,456	45,633	41,533
Matching fund contributions.....	12,367,772.49	11,073,732	10,405,984	8,313,413	7,042,107	7,082,529	6,173,478	6,494,445
Federal grants-in-aid.....	4,903,532.16	5,737,652	3,064,394	2,193,395	2,465,852	1,647,192	1,351,491	1,096,192
Other revenues.....	1,157,130.02	381,640	238,867	233,920	297,817	130,850	147,324	78,873
Total operating revenues.....	71,894,766.27	61,504,681	44,588,338	33,716,942	29,305,906	23,124,450	19,950,288	17,429,650
<b>Loans:</b>								
Bond anticipation notes.....	6,853,000.00	4,455,000	1,400,000	6,260,000				
Grand total.....	78,747,766.27	65,959,681	45,988,338	39,976,942	29,305,906	23,124,450	19,950,288	17,429,650
<b>Fund source:</b>								
General.....	43,011,232.64	35,082,116	26,562,898	20,548,761	17,090,386	11,757,553	11,094,489	8,714,899
Marching.....	12,672,145.41	11,258,244	10,533,210	8,387,143	7,260,028	7,770,630	6,214,954	6,524,900
Essential projects.....	9,924.22	5,814	16,431	21,462	34,573	50,775	47,759	36,182
Special and other.....	16,201,464.00	14,558,507	7,475,799	4,759,576	4,920,919	3,645,187	2,598,086	2,153,719
Bond anticipation notes accounts.....	6,853,000.00	4,455,000	1,400,000	6,260,000				
Total.....	78,747,766.27	65,959,681	45,988,338	39,976,942	29,305,906	23,124,450	19,950,288	17,429,650

GOVERNMENT OF THE VIRGIN ISLANDS  
ALL FUNDS  
COMPARATIVE STATEMENT OF NET EXPENDITURES  
FISCAL YEARS 1961-68

Department or agency	1968	1967	1966	1965	1964	1963	1962	1961
Virgin Islands Legislature.....	\$848,503	\$641,426	\$472,126	\$429,638	\$290,663	\$181,389	\$232,594	\$197,869
Electoral boards.....	46,317	60,132	30,230	38,290	33,773	29,080	9,977	16,476
Supervisor of Elections.....	64,606	32,910	36,854	46,480	46,480	5,205	74,365	62,406
Municipal Court of the Virgin Islands.....	289,160	247,642	253,332	151,523	94,313	66,767	405,375	354,793
Executive offices of the Governor.....	2,632,878	2,061,397	1,344,955	1,160,144	935,355	778,707	290,445	488,866
Office of the government secretary.....	328,481	323,856	284,871	303,308	269,257	265,467		
Department of Law.....	379,693	264,617	222,335	195,184	124,259	122,782		
Department of Finance.....	24,414,249	9,254,112	5,264,615	4,134,211	3,231,846	1,273,089	868,605	619,080
Department of Property and Procurement.....	2,626,114	2,344,657	1,048,020	450,908	572,324	2,289,049	318,137	484,862
Department of Health.....	11,426,853	8,350,704	6,447,322	5,383,947	4,168,548	2,619,239	2,945,601	3,104,393
Department of Education.....	9,608,697	9,984,649	7,260,881	5,004,319	4,367,603	3,025,121	2,566,571	2,076,533
Department of Social Welfare.....	3,126,324	2,614,084	2,141,723	1,943,571	1,670,935	985,121	1,189,246	1,308,312
Department of Public Safety.....	2,399,095	1,893,434	1,521,550	1,241,571	1,045,647	829,092	918,654	686,901
Department of Public Works.....	11,868,645	13,889,226	9,144,283	10,069,826	9,572,185	5,895,733	9,108,436	4,685,302
Department of Commerce.....	2,094,550	1,873,127	1,657,335	1,330,582	1,219,194	932,631	766,306	387,626
Department of Housing and Community Renewal.....	2,478,262	1,533,743	1,079,462	1,287,453	1,276,875	98,389		
Department of Agriculture and Labor.....	359,093	325,271	407,263	705,528	572,461	284,270	230,856	205,531
Department of Labor.....	2,123,699	1,404,745	155,610					
Department of Agriculture and Recreation.....	1,717,373	2,411,047	479,246					
Virgin Islands airport and industrial resources.....	479,045	451,678	371,404	326,369	256,019	129,254	130,550	108,443
Virgin Islands Employment Agency.....	301	182	192	132	244		96	121
Virgin Islands Board of Public Accountancy.....								
College of the Virgin Islands—Local contribution.....	1,325,000	1,120,303	866,133	670,000	465,000			
Commission on Human Services.....	219,093	106,950						
Total.....	80,856,031	61,197,859	40,614,684	34,903,324	30,182,901	18,111,861	20,050,808	15,662,923
Source:								
General fund.....	41,676,755	33,878,229	25,867,883	21,353,778	13,741,307	11,314,974	8,899,207	9,745,301
Matching fund.....	5,792,701	7,566,841	4,900,417	5,165,284	6,382,561	2,892,513	6,179,555	2,470,730
Essential projects fund.....	45,037	652,915	228,583	1,055,718	2,464,305	2,731,394	3,000,793	3,911,396
Special and other funds.....	33,341,538	19,099,874	9,617,801	7,328,544	6,594,638	1,172,880	2,970,993	2,535,494
Total.....	80,856,031	61,197,859	40,614,684	34,903,324	30,182,901	18,111,861	20,050,808	15,662,923

## APPENDIX G

### OFFICE OF THE DIRECTOR OF THE BUDGET OPERATING AND SPECIAL APPROPRIATIONS

Act No.	Departments or agencies	Appropriated	Allotted	Unallotted
1951/2080/2106/2149/2226/ 2242/2267/T.	The legislature.....	\$716,400.00	\$716,400.00	0
1989/2007/2023/2064/2081/ 2009/T.	Office of the Governor.....	1,651,080.62	651,080.62	\$1,000,000
1989/2064/2080/2149/T.....	Governor's contingent fund.....	134,044.41	134,044.41	0
1989/2023/2064/2080/2239/T	Office of public relations and informa- tion.	226,907.00	226,907.00	0
1989.....	Office of economic opportunity.....	25,931.00	25,243.00	688
1989/2064/T.....	VISTA program.....	74,964.00	70,254.00	4,710
1989/2023/2064/T.....	Office of the director of the budget.....	112,939.00	112,545.00	394
1989/2023/2064/2149/2182/T	Office of the director of personnel.....	161,648.00	160,982.00	666
1989/2023/1839/1848/1866/ 1867/1885/1893/1902/ 1941/1974/1975/2001/ 2027/2031/2040/2058/ 2079/2089/2090/2164- 2173/2178/2179/2181/ 2188/2193-2195/2197- 2203/2215/2229/2243/ 2244/2245/2247/T.	Retirement administration.....	541,386.00	540,891.00	495
1989/2064/2182.....	Office of the probation officer.....	60,684.00	56,366.00	4,318
1989/2064/T.....	Virgin Islands Planning Board.....	206,866.00	204,191.00	2,675
1989/2267/T.....	Administrative assistant for St. Croix.....	143,969.00	143,304.00	665
1989/2064/2149/T.....	Administrative assistant for St. John.....	80,127.00	78,041.00	2,086
2023/2064.....	Office of statistics and economic studies.	61,269.00	60,351.00	918
2023/2064/2149/T.....	Office of civil defense.....	88,436.00	75,055.00	13,381
2064/2080/T.....	Division of special projects.....	49,956.41	49,306.41	650
1989/2023/2064/S/T.....	Office of the government secretary.....	390,249.00	377,446.00	12,803
1884/1989/2023/2064/2080/ 2158/2239/2267/T.	Department of education.....	7,873,660.15	7,854,002.15	19,658
1989/2023/2064/2080/2185/ 2125/2149/2182/2239/S/T.	Department of public works.....	7,277,810.00	7,105,745.00	172,065
1869/1911/1989/2023/2064/ 2080/2101/2149/2182/2210/ 2239/2267/T.	Department of finance.....	5,006,615.50	4,990,546.50	16,069
1989/2023/2029/2080/2149/ 2182/T.	Department of property and procure- ment.	2,802,171.38	2,682,487.38	119,684
1989/2023/2064/2149/2218/T	Department of public safety.....	2,632,479.00	2,622,373.00	10,106
1989/2023/2056/2064/2080/ 2100/2149/2182/2239/S.	Department of agriculture.....	2,305,157.00	2,184,766.00	120,391
1989/2023/2034/2064/2075/ 2080/2100/2182/S/T.	Department of labor.....	436,108.59	404,251.59	31,857
1989/2023/2064/2080/2125/ 2149/2182/T.	Department of Commerce.....	1,767,481.00	1,714,244.00	53,237
1989/2023/2064/2101/2149/T.	Department of social welfare.....	2,698,386.00	2,663,342.00	35,044
1989/2080/2101/2149/2182/ T.	Department of health.....	7,313,261.00	7,315,239.00	(1,978)
1989/2023/2064/2182/2041/ 2232/T.	Department of law.....	445,387.45	416,518.45	28,869
1989/2023/2064/S/T.....	Department of housing and com- munity renewal.	878,406.00	874,133.00	4,273
1989/2023/T.....	Municipal court of the Virgin Islands.....	321,088.00	319,988.00	1,100
1989/2023/T.....	Office of the supervisor of elections.....	115,580.00	114,570.00	1,010
1989/2023/2064/2149/2267	Miscellaneous.....	758,277.00	612,335.00	145,942
	Totals.....	\$47,358,724.51	\$45,556,694.51	\$1,801,776

# APPROPRIATIONS AVAILABLE UNTIL EXPENDED

Account number	Departments or agencies	Appropriated	Allotted	Unallotted
1698/1850/1938/2121/2026/ 2054/2225/2246.	The legislature.....	\$75,265.02	\$59,165.02	\$16,100.00
1503/1587/1728/1733/1887/ 1907/1910/1920/1996/2074/ 2139/T.	Office of the Governor.....	142,476.59	103,537.00	38,939.59
2267/T.....	Office of civil defense.....	14,000.00	0	14,000.00
973/977/1172/1257/1375/ 1377/1379/1382/1718/1719/ 1722/1725/1727/1914/1926/ 1939/2104/2107/2120/2162/ 2163/2204.	Department of public works.....	854,000.00	261,000.00	593,000.00
858/912/1170/1924/1973/ 1996/2017/2067/T.	Department of property and procure- ment.	186,100.00	17,100.00	169,000.00
1993/2158/2252/2267.....	Department of education.....	870,000.00	865,000.00	5,000.00
1073/1575/1871/1890/1953/ 2015/2140/2267.	Department of health.....	1,757,442.00	1,613,108.00	144,334.00
1467.....	Department of finance.....	5,000.00	0	5,000.00
955/1712/1716/2186.....	Department of housing and commu- nity renewal.	200,000.00	150,000.00	50,000.00
1214/1410/1586/1946/2009/ 2019/2067/2103/2122/2149/ 2239.	Department of agriculture.....	498,500.00	442,000.00	56,500.00
1733/1942/T.....	Department of public safety.....	56,000.00	54,000.00	2,000.00
1988/2150.....	Supervisor of elections.....	30,000.00	20,000.00	10,000.00
	Total.....	4,688,783.61	3,584,910.02	1,103,873.59

## REAPPROPRIATION OF CERTAIN PROJECTS

Act number	Departments or agencies	Appropriated	Allotted	Unallotted
1994.....	Department of education.....	\$222,561.91	\$222,561.91	0
2065.....	Department of finance.....	42,000.00	0	\$42,000.00
1417/1929/1994.....	Department of social welfare.....	49,000.00	44,000.00	5,000.00
1944/1961/1962/1963/ 1994/T.....	Department of health.....	140,249.00	140,249.00	0
	Total.....	453,810.91	406,810.91	47,000.00
	Grand total.....	52,501,319.03	49,548,669.44	2,952,649.59

# APPENDIX H

## DEPARTMENT OF PUBLIC SAFETY

Number of Cases Handled, Bureau of Criminal Investigation, Fiscal Year 1967-68

Types	St. Thomas St. John	St. Croix	Total
Criminal homicide:			
(a) Murder and nonnegligent manslaughter . .	1	5	6
(b) Manslaughter by negligence . . . . .	5	14	19
Rape . . . . .	33	15	48
Robbery . . . . .	27	17	44
Aggravated assault . . . . .	32	5	37
Assault 1st degree . . . . .	27	20	47
Burglary . . . . .	559	157	716
Grand larceny . . . . .	297	261	558
Petit larceny . . . . .	236	9	245
Forgery . . . . .	35	24	59
Embezzlement and fraud . . . . .	6	10	16
Weapon possession . . . . .	8	5	13
Mayhem . . . . .		3	3
Prostitution and commercialized vice . . . . .		2	2
Sex offenses (sodomy) . . . . .	7	1	8
Narcotic drug laws . . . . .	8	7	15
Disorderly conduct . . . . .	22	5	27
Gambling . . . . .	40	2	42
All other offenses . . . . .	161		161
Total . . . . .	1,504	562	2,066



